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LEGISLATIVE HISTORY

Public Law 979
H.R. 11682

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INDEX AND SUMMARY OF H. R. 11682

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| June 4, 1956 | Sen. Ellender introduced S. 3991 which was referred to the Senate Agriculture and Forestry Committee. Print of bill as introduced. |
| June 8, 1956 | Rep. Cooley introduced H.R. 11682 which was referred to the House Committee on Agriculture. Print of bill. |
| June 11, 1956 | Rep. Hope introduced H. R. 11699 which was referred to the House Committee on Agriculture. Print of bill. |
| July 12, 1956 | House committee ordered reported H. R. 11682. |
| July 16, 1956 | House committee reported with amendment H. R. 11682. House Report No. 2732. Print of bill and report. |
| July 23, 1956 | House passed with amendment H. R. 11682. |
| July 24, 1956 | H. R. 11682 referred to Senate Committee on Agriculture and Forestry. Print of bill as referred. |
| July 26, 1956 | Senate committee reported without amendment H. R. 11682. Senate Report No. 2811. Print of bill and report. |
| July 27, 1956 | Senate passed H. R. 11682 without amendment. |
| Aug. 3, 1956 | Approved: Public Law 979, 84th Cong. |

authority to regulate the duration of, or the terms of compensation under trip-leasing arrangements involving certain classes of vehicles which are used for the hauling of certain agricultural products.

Public Law 962 (S. 3903) AMENDMENTS TO AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT (approved August 3, 1956). Amends this Act to increase the maximum amount authorized to be appropriated to reimburse the Commodity Credit Corporation for commodities disposed of and costs incurred under Title I of the Act, from $1.5 billion to $3.0 billion. Extends section 104 of the Act to provide assistance to activities and projects authorized by section 203 of the U. S. Information and Education Act of 1948. Exempts the sale of fruit and fruit products under Title I of the Act from the requirements of the cargo preference laws. Amends Title II of the Act to permit the transfer of surplus agricultural commodities abroad for "extra-ordinary" relief requirements in addition to the "urgent" relief requirements presently authorized.

Public Law 963 (S. 3314) SOIL AND WATER CONSERVATION ADVISORY COMMITTEE (approved August 3, 1956). Authorizes the Secretary of Agriculture to pay the expenses of an Advisory Committee on Soil and Water Conservation. Members of the Committee, other than ex officio members, shall not be deemed to be employees of the U. S. and shall not receive compensation.

Public Law 968 (H. R. 12270) USE OF PL 480 FUNDS FOR FOREIGN MILITARY HOUSING (approved August 3, 1956). Authorizes certain construction at military installations. Authorizes the Secretary of Defense, subject to approval of the Director of the Budget Bureau, to use foreign currencies of a value not to exceed $250 million acquired pursuant to the provisions of the Agricultural Trade Development and Assistance Act of 1954 or through other commodity transactions of the CCC for military family housing in foreign countries.

Public Law 971 (H. R. 7855) DISPOSAL OF SURPLUS PROPERTY BY NEGOTIATION (approved August 3, 1956). Amends the Federal Property and Administrative Services Act of 1949, as amended, so as to extend until July 31, 1958, the authority of the Administrator of General Services to dispose of surplus property by negotiation, rather than by advertising, provided advertising will not facilitate disposal, and disposal by negotiation will further the public interest.

Public Law 972 (H. R. 11548) PAINT BANK FISH HATCHERY (approved August 3, 1956). Authorizes the Secretary of the Interior to establish a new fish hatchery in the vicinity of Paint Bank, Virginia (will provide fish for stocking the waters in the national forests and other streams in Virginia and West Virginia).

Public Law 979 (H. R. 11682) DEPARTMENT OF AGRICULTURE ORGANIC ACT OF 1956 (approved August 3, 1956). Provides certain authorities (including permanent authorizing legislation for certain USDA activities heretofore authorized by appropriation act) to facilitate the control and eradication of certain animal diseases, the carrying out of agricultural conservation and related programs, the administration of the agricultural attache program, the operations of the Farmers' Home Administation, the Federal Crop Insurance Corporation, and the Forest Service, and for other purposes, as follows:

Section 2. Authorizes payment of claims arising from destruction of materials affected by or exposed to contagious animal diseases.

Section 3. Extends the facilitating authorities provided in the Act of February 28, 1947, with respect to eradication of foot-and-mouth disease in Mexico, to other animal disease eradication and control work.

Section 4. Authorizes the Department of Agriculture to pay travel and other expenses of advisory committees.

Section 5. Authorizes the Department of Agriculture to furnish subsistence to employees without deductions from their pay, where warranted by emergency conditions.

Section 6(a). Authorizes Agricultural Conservation Program payments on the basis of a certification by a farmer to the effect that he has complied with necessary requirements.

Section 6(b). Provides that ACP payments may be conditioned upon practices approved by State Committees.

Section 6(c). Provides that funds made available for ACP payments within a State may be transferred for services of technicians in formulating and carrying out the program, and to local public agencies, under such limitations and conditions as may be provided in appropriation or other law; and authorizes placing such funds in a single account for each State.

Section 7. Provides that, when authorized by appropriation or other law, the Department may exceed the limitation of 3% on administrative expenses of National and State Offices included in Section 392 of the Agricultural Adjustment Act of 1938, as amended.

Section 8. Provides that funds available for carrying out Title VI of the Agricultural Act of 1954 (relating to Agricultural Attaches) may be used for extending courtesies in the United States to representatives of foreign countries, when so provided in appropriation or other law.

Section 9(a). Provides that farm-ownership loan funds may be distributed without regard to statutory formula for loans in reclamation projects and to entrymen on unpatented public land in such amounts as may be provided in applicable appropriation law.

Section 9(b). Provides that funds for administrative expenses of the Farmer Home Administration may be placed in a single account when so authorized in appropriation or other law.

Section 10. Authorizes the Federal Crop Insurance Corporation to consider the direct costs of loss adjusters for crop inspections and loss adjustments as nonoperating or nonadministrative expense; and provides that premium income may be used for administrative and operating costs within limits prescribed in applicable appropriations.

Section 11(a). Provides that the Department of Agriculture may acquire land by purchase, exchange, or otherwise when so authorized in appropriation or other law.

Section 11(b). Authorizes the use of appropriations available for purchase of land to pay for options to purchase land at not to exceed $1 per option.

Section 12. Authorizes the payment of transportation expenses and per diem in lieu of subsistence expenses, between places of recruitment and duty, and while at place of duty, to persons appointed for temporary or seasonal services in inspecting, classing or grading agricultural commodities.

Section 13. Establishes a working Capital Fund for furnishing supply and equipment services in support of programs of the Forest Service.

Public Law 984 (H. R. 5881) SMALL RECLAMATION PROJECTS ACT OF 1956 (approved August 6, 1956). Supplements the Federal reclamation laws by providing for Federal cooperation in non-Federal projects, and for participation by non-Federal agencies in small Federal reclamation projects in the 17 Western States. Each project is limited in cost to $5 million or less, with certain exceptions. Authorizes the appropriation of $100 million to carry out the provisions of the Act.

Public Law 989 (S. 2585) RESEARCH LAND EXCHANGE AND CONEROSS WATERSHED PROJECT (approved August 6, 1956). Authorizes the exchange of a small parcel of land which is a part of the Agricultural Research Center at Beltsville, Maryland, for a privately owned tract of land adjoining the research center. Exempts the proposed Coneross Watershed project, South Carolina, from the usual congressional review as required by the Watershed Protection and Flood Prevention Act.

Public Law 990 (S. 3831) WEST VIRGINIA FISH HATCHERY (approved August 6, 1956). Authorizes the Secretary of the Interior to establish a new fish hatchery in West Virginia (will provide fish for stocking the waters of the national forests and other streams in the State).

Public Law 992 (S. 3101) CROOKED RIVER RECLAMATION PROJECT (approved August 6, 1956). Authorizes construction by the Secretary of the Interior of the Crooked River Federal reclamation project, Oregon.

Public Law 993 (S. 3227) LITTLE WOOD RIVER RECLAMATION PROJECT (approved August 6, 1956). Authorizes construction by the Secretary of the Interior of the Little Wood River reclamation project, Idaho.

Public Law 1001 (H. R. 9396) EXEMPTION OF GUAR SEED FROM IMPORT DUTY (approved August 6, 1956). Amends the Tariff Act of 1930 so as to exempt from duty the importation of guar seed into the U. S. or certain of its possessions.

Public Law 1006 (S. 4203) AMENDMENTS TO ATOMIC ENERGY ACT OF 1954 (approved August 6, 1956). Amends this Act to clear up certain difficulties in the operations of the Atomic Energy Commission. Authorizes the Commission to make grants to colleges and universities for reactors for education and training purposes (such as food sterilization reactors). Transfers administrative control over all Federal land within Los Alamos, County, New Mexico, to the Commission, including such lands within the Santa Fe National Forest.

Public Law 1016 (S. 3732) FEDERAL FLOOD INSURANCE ACT OF 1956 (approved August 7, 1956). Authorizes the Housing and Home Finance Agency to carry out an insurance, reinsurance, and lending program in connection with flood damage. Limits outstanding loans to $2,000,000,000 with authority for the President to increase this amount by $500,000,000 in any one fiscal year. Limits outstanding insurance policies and reinsurance agreements to $3,000,000,000 with authority for the President to increase this amount by $2,000,000,000 if deemed advisable. Requires the Housing and Home Finance Agency and this Department to coordinate the administration of their respective programs relating to flood insurance and reinsurance for agricultural commodities. Provides that, where the Agency's program may affect flood-control works under the jurisdiction of other Federal agencies, such agencies shall cooperate with HHFA in coordinating their respective programs. Authorizes HHFA, in providing insurance or reinsurance under the Act, to use and pay for the services of other public agencies. Prohibits insurance or reinsurance under this Act if insurance is available on reasonable terms from other public or private sources. Authorizes the Agency to enter into contracts to provide that, in case

of flood damage, the Agency will guarantee any public or private financing institution against loss of loans and, if loans are not available from such institutions, the agency will make flood-damage loans.

Public Law 1018 (H. R. 8750) AMENDMENTS TO WATERSHED PROTECTION AND FLOOD PREVENTION ACT (approved August 7, 1956). Modifies the Watershed Protection and Flood Prevention Act (Public Law 566, 83rd Congress) as follows:

Broadens the definition of works of improvement to include measures not only for agricultural purposes as presently authorized by Public Law 566, but also for non-agricultural purposes such as municipal and industrial water supplies and streamflow regulation.

Increases to 25,000 acre-feet the total capacity provided by any one structure which may be included in a watershed work plan, but retains the existing five thousand acre-feet limitation on the capacity provided by any one structure for flood prevention purposes.

Exempts from review by other Federal agencies and from transmission to the Congress watershed work plans involving an estimated Federal contribution to construction costs of $250,000 or less and not containing any single structure which provides more than 2,500 acre-feet of total capacity.

Requires the approval by resolutions of certain Committees of Congress of watershed work plans transmitted to the Congress, as a condition to the appropriation of funds.

Eliminates the 15-day waiting period after watershed work plans are transmitted to the Congress.

Provides for the preparation of plans and estimates necessary for adequate enginering evaluation.

Provides for allocations of costs to the various purposes.

Requires local organizations to bear such proportionate share of the costs of installing works of improvement for irrigation, drainage, and other agricultural water management as is determined by the Secretary to be equitable in consideration of the direct identifiable benefits.

Requires local organizations to assume all of the cost of installing works of improvement for purposes other than flood prevention and agricultural water management.

Requires the Federal Government to bear the entire construction cost of works of improvement applicable to flood prevention and features relating thereto.

Provides that water users, as well as landowners, shall acquire needed water rights.

Provides that local organizations shall submit to the Secretary satisfactory plans for repayment of loans or advancements.

Requires local organizations to secure private engineering services satisfactory to the Secretary for projects which include structures providing for municipal or industrial water supplies.

Gives local organizations the option of either securing private engineering services or using the engineering services of employees of the Federal Government for projects not providing for municipal or industrial water supplies.

Requires the Secretary to reimburse the local organization for the cost it incurs for private engineering services.

Authorizes the Secretary to contract for private engineering services for local organizations.

Authorizes the Secretary to make advances to local organizations to pay for private engineering services not to exceed five per cent of the estimated total cost of works of improvement.

Authorizes the Secretary to make loans or advancements to local organizations to finance local costs for periods of up to fifty years at the Federal long-term borrowing rate, with provision that no such loan or advancement shall exceed $5 million for any one project. . . .

# ORGANIC ACT OF 1956

## HEARING

BEFORE THE

## COMMITTEE ON AGRICULTURE
## HOUSE OF REPRESENTATIVES

EIGHTY-FOURTH CONGRESS

SECOND SESSION

ON

## H. R. 11682 and H. R. 11699

JUNE 27, 1956

Printed for the use of the Committee on Agriculture

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# ORGANIC ACT OF 1956

WEDNESDAY, JUNE 27, 1956

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
*Washington, D. C.*

The committee met, pursuant to notice, at 10:10 a. m., in room 1310, New House Office Building, Hon. W. R. Poage presiding.

Mr. POAGE. The committee will come to order.

We have this morning a bill by the chairman, H. R. 11682, and one by Mr. Hope, H. R. 11699.

(H. R. 11682 and H. R. 11699 are as follows:)

[H. R. 11682, 84th Cong., 2d sess.]

A BILL To facilitate the control and eradication of certain animal diseases, to facilitate the carrying out of agricultural and related programs, to facilitate the agricultural attaché program, to facilitate the operations of the Farmers' Home Administration, the Federal Crop Insurance Corporation, and the Forest Service, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Department of Agriculture Organic Act of 1956."

SEC. 2. Section 11 of the Act of May 29, 1884, as added by the Act of September 21, 1944 (21 U. S. C. 114a), and as amended, is hereby further amended to read as follows:

"SEC. 11. The Secretary of Agriculture, either independently or in cooperation with States or political subdivisions thereof, farmers' associations and similar organizations, and individuals, is authorized to control and eradicate tuberculosis and paratuberculosis of animals, avian tuberculosis, brucellosis of domestic animals, southern cattle ticks, hog cholera and related swine diseases, scabies in sheep and cattle, dourine in horses, scrapie and blue tongue in sheep, incipient or potentially serious minor outbreaks of diseases of animals, and contagious or infectious diseases of animals (such as foot-and-mouth disease, rinderpest, and contageous pleuropneumonia) which in the opinion of the Secretary constitute an emergency and threaten the livestock industry of the country, including the payment of claims growing out of destruction of animals (including poultry), and of materials affected by or exposed to any such disease, in accordance with such regulations as the Secretary may prescribe. As used in this section, the term 'State' includes the District of Columbia and the Territories and possessions of the United States."

SEC. 3. Section 2 of the Act of February 28, 1947 (21 U. S. C. 114c) is hereby amended by inserting, immediately following the word "Act" where it first appears therein the following: "and section 11 of the Act of May 29, 1884, as added by the Act of September 21, 1944, insofar as said Act relates to diseases which in the opinion of the Secretary constitute an emergency and threaten the livestock industry of the country."

SEC. 4. Funds avaliable for carrying out the activities of the Department of Agriculture shall be available for expenses of advisory communities, including travel expenses in accordance with the provision of section 5 of the Administrative Expenses Act of 1946, as amended.

SEC. 5. The Department of Agriculture is authorized to furnish subsistence to employees without consideration as, or deduction from, the compensation of such employees where warranted by emergency conditions connected with the work under such regulations as the Secretary of Agriculture may prescribe.

SEC. 6. (a) Section 14 of the Soil Conservation and Domestic Allotment Act (as added by the Act of February 29, 1936 (16 U. S. C. 590n)), is amended by adding at the end thereof the following: "Payments to claimants under sections 7 to 17, inclusive, of this Act may be made upon the certificate of the claimant, which certificate shall be in such form as the Secretary of Agriculture may prescribe, that he has carried out the conservation practice or practices and has complied with all other requirements as condition for such payments and that the statements and information contained in the application for payment are correct and true, to the best of his knowledge and belief, under the penalties of title 18, United States Code."

(b) Payments or grants under sections 7 to 17 of the Soil Conservation and Domestic Allotment Act, as amended, may be conditioned upon the utilization of land with respect to which such payments or grants are to be made in conformity with farming practices which will encourage and provide for soil-building and soil- and water-conserving practices in the most practical and effective manner and adapted to conditions in the several States, as determined and approved by the State committees appointed pursuant to section 8 (b) of such Act, for the respective States.

(c) Section 11 of the Soil Conservation and Domestic Allotment Act, as amended (16 U. S. C. 590k), is amended to read as follows:

"SEC. 11. All funds available for carrying out this Act shall be available for allotment to the bureaus and offices of the Department of Agriculture and for transfer to such other agencies of the Federal or State Governments, or to local public agencies as the Secretary may request to cooperate or assist in carrying out this Act, and for payments to committees or associations of producers in any region or regions to cover the estimated administrative expenses to be incurred by any such committee or association in cooperating in carrying out this Act: *Provided*, That the Secretary may prescribe that all or part of such estimated expenses of any such committee or association may be deducted pro rata from the payments or grants made to the members thereof: *Provided further*, That the Secretary may make such payments in advance of determination of performance: *Provided further*, That the transfer of funds for services of technicians in formulating and carrying out agricultural conservation programs, from allotments for agricultural conservation payments within a State, shall be subject to such limitations and conditions as may be provided in appropriation or other law. Funds so transferred may be placed in a single account for each State."

SEC. 7. Section 392 (b) of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 139 (b)), is amended by changing the period at the end of the first sentence to a comma and adding the words "unless otherwise provided by appropriation or other law." and by changing the period at the end of the second sentence to a comma and adding the words "unless otherwise provided by appropriation or other law.".

SEC. 8. Section 606 of title VI of the Agricultural Act of 1954 (7 U. S. C. 1766) is amended by adding at the end thereof the following: "Funds available for the purposes of this Act may be used for extending courtesies to representatives of foreign countries, when so provided in appropriation or other law."

SEC. 9. (a) Section 4 of the Act of July 22, 1937, as amended (7 U. S. C. 1004), is hereby amended by inserting before the period at the end thereof the following: ": *Provided further*, That there may be distributed to States and Territories such amounts as may be provided in applicable appropriations, in addition to the amount otherwise distributed thereto, for loans in reclamation projects and to entrymen on unpatented public lands."

(b) When authorized by appropriation or other law, funds of the Farmers' Home Administration avaliable for administrative expenses may be placed in a single account.

SEC. 10. Section 516 (a) of the Federal Crop Insurance Act, as amended (7 U. S. C. 1516 (a)), is amended to read as follows:

"(a) There are hereby authorized to be appropriated such sums, not in excess of $12,000,000 for each fiscal year beginning after June 20, 1938, as may be necessary to cover the operating and administrative costs of the Corporation, which shall be allotted to the Corporation in such amounts and at such time or times as the Secretary of Agriculture may determine: *Provided*, That expenses in connection with the purchase, transportation, handling, or sale of the agricultural commodity and the direct cost of loss adjusters for crop inspections and loss adjustments may be considered by the Corporation as being nonadministrative or nonoperating expenses. The Corporation is authorized to use premium

income for administrative and operating costs within limits prescribed in applicable appropriations."

SEC. 11. (a) The Department of Agriculture is authorized to acquire land, or interest therein, by purchase, exchange, or otherwise, as may be necessary to carry out its authorized work: *Provided*, That no acquisition shall be made under this authority unless provision is made therefor in the applicable appropriation or other law.

(b) Appropriations for the Department of Agriculture which are available for the purchase of land may be expended for options to purchase land: *Provided*, That not to exceed $1 may be expended for each option to purchase any particular tract or tracts of land unless otherwise provided in appropriation or other law.

SEC. 12. Under such regulations as may be prescribed by the Secretary of Agriculture, funds available to the Department of Agriculture may be used for the payment of transportation expenses and per diem in lieu of subsistence expenses, in accordance with the Travel Expense Act of 1949, for travel between places of recruitment and duty, and while at places of duty, of persons appointed for temporary or seasonal services in inspection, classing, or grading agricultural commodities.

SEC. 14. There is hereby established a working capital fund which shall be available without fiscal year limitation for expenses necessary, including the purchase or construction of buildings and improvements within the limitations thereon set forth in the appropriations for the Forest Service, for furnishing supply and equipment services in support of programs of the Forest Service. The Secretary of Agriculture is authorized to transfer to the fund, without reimbursement, and to capitalize in the fund at fair and reasonable values, such receivables, inventories, equipment, and other assets as he may determine, and assume the liabilities in connection with such assets, but such capitalization shall not exceed $25,000,000: *Provided*, That the fund shall be credited with advance payments in connection with firm orders and reimbursements from appropriations and funds of the Forest Service, other departmental and Federal agencies, and from other sources, as authorized by law, at rates approximately equal to the cost of furnishing the facilities and service.

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[H. R. 11699, 84th Cong., 2d sess.]

A BILL To facilitate the control and eradication of certain animal diseases, to facilitate the carrying out of agricultural conservation and related agricultural programs, to facilitate the agricultural attaché program, to facilitate the operations of the Farmers' Home Administration, the Federal Crop Insurance Corporation, and the Forest Service, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That this Act may be cited as the "Department of Agriculture Organic Act of 1956".

SEC. 2. Section 11 of the Act of May 29, 1884, as added by the Act of September 21, 1944 (21 U. S. C. 114a), and as amended, is hereby further amended to read as follows:

"SEC. 11. The Secretary of Agriculture, either independently or in cooperation with States or political subdivisions thereof, farmers' associations and similar organizations, and individuals, is authorized to control and eradicate tuberculosis and paratuberculosis of animals, avian tuberculosis, brucellosis of domestic animals, southern cattle ticks, hog cholera and related swine diseases, scabies in sheep and cattle, dourine in horses, scrapie and blue tongue in sheep, incipient or potentially serious minor outbreaks of diseases of animals, and contagious or infectious diseases of animals (such as foot-and-mouth disease, rinderpest, and contagious pleuropneumonia) which in the opinion of the Secretary constitute an emergency and threaten the livestock industry of the country, including the payment of claims growing out of destruction of animals (including poultry), and of materials, affected by or exposed to any such disease, in accordance with such regulations as the Secretary may prescribe. As used in this section, the term 'State' includes the District of Columbia and the Territories and possessions of the United States."

SEC. 3. Section 2 of the Act of February 28, 1947 (21 U. S. C. 114c) is hereby amended by inserting, immediately following the word "Act" where it first appears therein the following: "and section 11 of the Act of May 29, 1884, as added by the Act of September 21, 1944, insofar as said Act relates to diseases which

in the opinion of the Secretary constitute an emergency and threaten the livestock industry of the country."

SEC. 4. Funds available for carrying out the activities of the Department of Agriculture shall be available for expenses of advisory committees, including travel expenses in accordance with the provisions of section 5 of the Administrative Expenses Act of 1946, as amended.

SEC. 5. The Department of Agriculture is authorized to furnish subsistence to employees without consideration as, or deduction from, the compensation of such employees where warranted by emergency conditions connected with the work under such regulations as the Secretary of Agriculture may prescribe.

SEC. 6. (a) Section 14 of the Soil Conservation and Domestic Allotment Act (as added by the Act of February 29, 1936 (16 U. S. C. 590n)), is amended by adding at the end thereof the following: "Payments to claimants under sections 7 to 17 inclusive, of this Act may be made upon the certificate of the claimant, which certificate shall be in such form as the Secretary of Agriculture may prescribe, that he has carried out the conservation practice or practices and has complied with all other requirements as conditions for such payments and that the statements and information contained in the application for payment are correct and true, to the best of his knowledge and belief, under the penalties of title 18, United States Code."

(b) Payments or grants under sections 7 to 17 of the Soil Conservation and Domestic Allotment Act, as amended, may be conditioned upon the utilization of land with respect to which such payments or grants are to be made in conformity with farming practices which will encourage and provide for soil-building and soil- and water-conserving practices in the most practical and effective manner and adopted to conditions in the several States, as determined and approved by the State committees appointed pursuant to section 8 (b) of such Act, for the respective States.

(c) Section 11 of the Soil Conservation and Domestic Allotment Act, as amended (16 U. S. C. 590k), is amended to read as follows:

"SEC. 11. All funds available for carrying out this Act shall be available for allotment to the bureaus and offices of the Department of Agriculture and for transfer to such other agencies of the Federal or State governments, or to local public agencies, as the Secretary may request to cooperate or assist in carrying out this Act, and for payments to committees or associations of producers in any region or regions to cover the estimated administrative expenses to be incurred by any such committee or association in cooperating in carrying out this Act: *Provided*, That the Secretary may prescribe that all or part of such estimated expense of any such committee or association may be deducted pro rata from the payments or grants made to the members thereof: *Provided further*, That the Secretary may make such payments in advance of determination of performance: *Provided further*, That the transfer of funds for services of technicians in formulating and carrying out agricultural conservation programs, from allotments for agricultural conservation payments within a State, shall be subject to such limitations and conditions as may be provided in appropriation or other law. Funds so transferred may be placed in a single account for each State.

SEC. 7. Section 392 (b) of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 139 (b)), is amended by changing the period at the end of the first sentence to a comma and adding the words "unless otherwise provided by appropriation or other law," and by changing the period at the end of the second sentence to a comma and adding the words "unless otherwise provided by appropriation or other law.".

SEC. 8. Section 606 of title VI of the Agricultural Act of 1954 (7 U. S. C. 1766) is amended by adding at the end thereof the following: "Funds available for the purposes of this Act may be used for extending courtesies to representatives of foreign countries, when so provided in appropriation or other law."

SEC. 9. (a) Section 4 of the Act of July 22, 1937, as amended (7 U. S. C. 1004), is hereby amended by inserting before the period at the end thereof the following: ": *Provided further*, That there may be distributed to States and Territories such amounts as may be provided in applicable appropriations, in addition to the amount otherwise distributed thereto, for loans in reclamation projects and to entrymen on unpatented public lands."

(b) When authorized by appropriation or other law, funds of the Farmers' Home Administration available for administrative expenses may be placed in a single account.

SEC. 10. Section 516 (a) of the Federal Crop Insurance Act, as amended (7 U. S. C. 1516 (a)), is amended to read as follows:

"(a) There are hereby authorized to be appropriated such sums, not in excess of $12,000,000 for each fiscal year beginning after June 30, 1938, as may be necessary to cover the operating and administrative costs of the Corporation, which shall be allotted to the Corporation in such amounts and at such time or times as the Secretary of Agriculture may determine: *Provided*, That expenses in connection with the purchase, transportation, handling, or sale of the agricultural commodity and the direct cost of loss adjusters for crop inspections and loss adjustments may be considered by the Corporation as being nonadministrative or nonoperating expenses. The Corporation is authorized to use premium income for administrative and operating costs within limits prescribed in applicable appropriations."

SEC. 11. (a) The Department of Agriculture is authorized to acquire land, or interest therein, by purchase, exchange or otherwise, as may be necessary to carry out its authorized work: *Provided*, That no acquisition shall be made under this authority unless provision is made therefor in the applicable appropriation or other law.

(b) Appropriations for the Department of Agriculture which are available for the purchase of land may be expended for options to purchase land: *Provided*, That not to exceed $1.00 may be expended for each option to purchase any particular tract or tracts of land unless otherwise provided in appropriation or other law.

SEC. 12. Under such regulations as may be prescribed by the Secretary of Agriculture, funds available to the Department of Agriculture may be used for the payment of transportation expenses and per diem in lieu of subsistence expenses, in accordance with the Travel Expense Act of 1949, for travel between places of recruitment and duty, and while at places of duty, of persons appointed for temporary or seasonal services in inspection, classing or grading agricultural commodities.

SEC. 14. There is hereby established a working capital fund which shall be available without fiscal year limitation for expenses necessary, including the purchase or construction of buildings and improvements within the limitations thereon set forth in the appropriations for the Forest Service, for furnishing supply and equipment services in support of programs of the Forest Service. The Secretary of Agriculture is authorized to transfer to the fund, without reimbursement, and to capitalize in the fund at fair and reasonable values, such receivables, inventories, equipment, and other assets as he may determine, and assume the liabilities in connection with such assets, but such capitalization shall not exceed $25,000,000: *Provided*, That the fund shall be credited with advance payments in connection with firm orders and reimbursements from appropriations and funds of the Forest Service, other departmental and Federal agencies, and from other sources, as authorized by law, at rates approximately equal to the cost of furnishing the facilities and service.

Mr. POAGE. We will be glad to hear you now, Mr. Roberts.

## STATEMENT OF RALPH S. ROBERTS, ADMINISTRATIVE ASSISTANT SECRETARY, ACCOMPANIED BY CHARLES L. GRANT, DEPUTY DIRECTOR, OFFICE OF BUDGET AND FINANCE; AND ELMER MOSTOW, GENERAL COUNSEL'S OFFICE, UNITED STATES DEPARTMENT OF AGRICULTURE

Mr. ROBERTS. Thank you, Mr. Chairman. I am Ralph S. Roberts, the Administrative Assistant Secretary of Agriculture.

I appreciate this opportunity to appear before you to discuss the provisions of H. R. 11682 and H. R. 11699, which would incorporate into basic law certain facilitating authorities necessary to the effective conduct of the activities of the Department of Agriculture.

81123—56——2

The provisions of the two bills are identical. For simplification, references in this statement to page and line numbers relate to H. R. 11682.

Mr. POAGE. Are these two bills the same?

Mr. ROBERTS. The two bills are identical. The line and page numbers differ. So that in our discussion we are referring to page and line numbers in H. R. 11682.

Mr. POAGE. Proceed.

Mr. ROBERTS. Over the years a number of facilitating provisions, important to the effective operation of the Department's programs, have been inserted in the annual appropriation acts.

Many of these provisions may not be supported by substantive legislation and are therefore presumably subject to points of order for that reason.

When a similar situation existed several years ago the Congress enacted the Department of Agriculture Organic Act of 1944 to provide basic authority for the provisions concerned.

H. R. 11682 is in line with the approach taken at that time to this problem. Most of the provisions in the bill relate to authorities which appear in the Department of Agriculture and Farm Credit Administration Appropriation Act, 1957.

While several of the items proposed do not appear in the 1957 appropriation act, they fall within the general scope of this subject area and therefore are appropriate for inclusion in the proposed legislation.

If it is agreeable to the committee, I will briefly discuss each of the sections of the bill in the order of their sequence and indicate the purpose and need therefor.

The first paragraph provides that the act may be cited as the "Department of Agriculture Organic Act of 1956."

### PAYMENT OF CLAIMS FOR EXPOSED MATERIALS

Section 2 would amend existing basic authority for control and eradication of contagious animal diseases by authorizing the payment of claims growing out of destruction of materials affected by or exposed to contagious animal diseases by inserting in section 1 of the act of May 29, 1884 (that is the old basic authority for animal disease work) the words "and of materials" as indicated on page 2, lines 15 and 16, of H. R. 11682.

The Department has basic legislative authority to pay claims for the destruction of animals and poultry. Payment of claims for materials destroyed to prevent transmission of contagious diseases is authorized in the annual appropriation act.

The authority in the appropriation act is presumably subject to a point of order since it is not supported by basic legislation. Section 2 would provide permanent legislative authority for the payment of claims for the destruction of materials. We have also revised the language of the 1884 act slightly for editorial clarity. There is no substantive change.

EXTENSION OF FACILITATING AUTHORITIES FOR ANIMAL DISEASE CONTROL AND ERADICATION ACTIVITIES

Section 3 also applies to the animal disease control and eradication activities of the Department. The act of February 28, 1947, relating to the foot-and-mouth disease eradication and control program in Mexico, contains certain facilitating authorities of an administrative nature that are essential in the conduct of an emergency control program.

The annual appropriation act extends these authorities to foot-and-mouth disease work in the United States and to the other animal disease control programs of the Department, such as the vesicular exanthema eradication program. Since these authorities in the 1947 act apply only to the foot-and-mouth disease program in Mexico, the provision in the appropriation act extending them to other diseases is presumably subject to a point of order.

Section 3 of the bill would amend the act of May 29, 1884, which is the basic authority for the Department's animal disease control and eradication program, to extend these facilitating authorities as now provided in the annual appropriations act.

The principal authorities involved are: (1) expenditures for printing and binding at places other than the Government Printing Office, (2) the purchase or hire of passenger motor vehicles and aircraft to meet emergencies without reference to existing limitations, and (3) the construction and operation of research laboratories, quarantine stations, and other buildings and facilities.

I think I should emphasize these authorities are applicable to legislation which would be invoked only in case there were an emergency which threatens the livestock industry of the country and it is so determined by the Secretary.

So we are really asking for standby authority to be used only in the event such a determination is made.

Mr. POAGE. Only livestock diseases?

Mr. ROBERTS. Livestock and poultry.

Mr. POAGE. All right.

Mr. ANDERSEN. I would like to ask a question. Do you have any special authority when it comes to dealing with hoof-and-mouth disease?

Mr. ROBERTS. This is the special authority that we have for foot-and-mouth disease. We have these facilitating authorities in the basic legislation for foot-and-mouth-disease eradication in Mexico. But in the appropriation act there is language which applies these same authorities to other diseases such as vesicular exanthema. Such language is subject to point of order. This bill would propose to make that basic legislation and extend those same authorities on an emergency standby basis for use in the event it was necessary if we have an outbreak of any of these diseases in this country.

Mr. ANDRESEN. It seems to me that we had some special legislation coming out of this committee dealing with the hoof-and-mouth disease in Mexico.

Mr. POAGE. That is the basic legislation.

Mr. ROBERTS. That is the basic legislation, if that is what you are referring to, passed back in 1947.

Mr. POAGE. It gave you the authority to do these things, but for foot-and-mouth disease only?

Mr. ROBERTS. That is correct.

Mr. POAGE. And then we have disease such as the trouble with the hogs 2 years ago, and we have no basic authority for that.

So the Appropriations Committee simply makes an appropriation under the hoped-for authority that they didn't have, but tried to stretch the authority existing in the foot-and-mouth disease to cover the hogs as well as the cattle.

Is not that what they tried to do?

Mr. ROBERTS. Yes; that is right.

Mr. POAGE. If I understand it, in all of these cases the Appropriations Committee has actually exercised authority that you are now conferring on them by this bill?

Mr. ROBERTS. With three exceptions. I will mention those as we proceed.

Mr. POAGE. All right.

Mr. ROBERTS. There are three exceptions. All of the others, we are talking about language which is in the appropriation act which is not supported by substantive legislation.

### EXPENSES OF ADVISORY COMMITTEES

Section 4 would authorize the payment of expenses of committees established to advise on programs of the Department. The annual appropriation act authorizes the Forest Service to pay the travel expenses of advisory councils or similar groups who advise the Forest Service on the administration of national forest lands.

This provision may be subject to a point of order, since the specific committees are not named, a practice which would be impracticable under the circumstances.

Since there is need from time to time for similar authority in other agencies and programs of the Department, section 4 would provide basic legislative authority for paying the expenses of committees established to advise on programs of the Department.

It is intended that we would pay their traveling expenses, but no salary remuneration.

### AUTHORITY TO FURNISH SUBSISTENCE TO EMPLOYEES

Section 5 would authorize the Department to furnish subsistence to employees, without deduction from their pay, where warranted by emergency conditions.

The annual appropriation act authorizes the Soil Conservation Service to furnish subsistence to employees. This authority is used to stock snow shelters with food for use by personnel engaged in snow surveys who may be prevented by emergency conditions from returning to headquarters.

Section 5 would overcome the point of order, which now exists in the appropriation bill, by providing authority in basic law for this expense.

Mr. Watts. May I ask a question?

Mr. Poage. Surely.

Mr. Watts. Under this section that you are talking about, would this apply to graders?

Mr. Roberts. A later one does, but not the one I am talking about now. It is intended that the one I am now discussing would apply only to the snow survey people.

As you know, these folks that go up into the mountains, where the snow is deep—sometimes they travel on snowshoes—frequently they get into areas where they cannot return immediately. The SCS has shelters up in the high areas which they stock with food for emergency use during the winter.

It is an emergency device of providing these men with temporary shelter and food if they are unable to return to headquarters. This is a proposal to make it possible for them to avail themselves of those stocks of food without having to pay for it as they would under existing law.

### ACP PAYMENTS ON CERTIFICATE OF CLAIMANT

Section 6 (a) would authorize agricultural conservation program payments to a farmer on the basis of this certificate that he has complied with all requirements for such payment, including carrying out the conservation practices for which the payment is due.

Authority for payment on such basis if now included in the annual appropriation act—it was inserted in 1948, I think—but is presumably subject to a point of order since it varies the procedure prescribed in the certifying officers statute, which requires that they determine more specifically the basis for payment and obtain supporting data.

The Appropriation Committee, when it inserted this language, did so on the basis that certification by a farmer on his compliance would serve the same purpose as does a certification on an income tax return, and at that time they substantially reduced he appropriation to the Department of Agriculture for carrying out the conservation program by reason of this simplification. It is subject to point of order. This bill, if enacted, by the Congress, would provide basic authority for accepting this certification.

### STATE COMMITTEE APPROVAL OF ACP PRACTICES

Section 6 (b) would authorize agricultural conservation program payments for conservation practices selected by State committees from the national program.

The authority is now carried in the annual appropriation act and is presumably subject to a point of order since section 8 (d) of the Soil Conservation and Domestic Allotment Act provides that the Secretary of Agriculture shall determine the practices for which payment may be made.

The section would provide, as permanent legislation, that payments may be conditioned upon practices approved by the State committees.

Mr. Poage. You must hold that the State committees are not the agents of the Secretary of Agriculture; is that the theory?

If they are the agents of the Secretary of Agriculture, then the Secretary has made the decision, has he not?

Mr. ROBERTS. Well, I don't believe——

Mr. POAGE. He named them and I don't know why they are not his agents. I do not know—isn't it just as much the Secretary of Agriculture making the finding when the State committee says it, as it is when you and your associates down here say it?

Mr. ROBERTS. I think perhaps this one involves the theory that under certain prescribed pieces of legislation, the Secretary has certain authorities that cannot be delegated.

Mr. POAGE. But he does have it. The Secretary did not go there and make up this handbook himself. Somebody else made it up, of course. He didn't do it personally.

Mr. ROBERTS. Mr. Mostow, of General Counsel's Office, has clarified the point for me. This provision actually takes the authority away from the Secretary. It provides, as a practical matter, that the State committee shall do it.

Mr. POAGE. I see.

Mr. ROBERTS. So that is the difference.

Mr. POAGE. I get it.

Mr. MCINTIRE. May I ask a question at that point?

Does this imply that the practices which the States may wish to make are the practices upon which the payments will be made? Is this a part of the pattern of giving the States greater authority in selecting the practices upon which conservation payments will be made and has been true in the past, and this simply clarifies their authority in that regard?

Or is this simply a technical clarification? Are you extending to these State committees by this a little more final decision as to what the practices are to be?

Mr. ROBERTS. Mr. McIntire, I think when the Appropriations Committee inserted this provision into the language, it was intended that it would result in greater activity on the part of the local people in the selection of practices. The practices, however, must be selected from the national program.

Mr. MCINTIRE. What?

Mr. ROBERTS. Greater participation on the part of the State in selecting the practices that were particularly applicable to the local area, but the practices selected by the State committee would still have to be within the framework of the national program.

Mr. MCINTIRE. Then they do not have the final say?

Mr. ROBERTS. Yes, they do have the final say, provided they select the practices from the national program which in their opinion are most appropriate for the local area.

Mr. MCINTIRE. They have the final say providing they say the things which have already been listed?

Mr. ROBERTS. No; they have certain alternatives. They select within their discretion from the national program. This has been done since 1945, in fact.

Mr. POAGE. What you are saying is, as I understand it, let us say that the Federal handbook has 100 practices that could be used, and in the State of Maine, their committee, selects 30 or 40 of them, and say they can be used in the State of Maine. Then those other 60 would not be in the State of Maine.

They decide which ones out of the 100 they want. They could accept all of them but they cannot add something—they cannot put

in 101 or 102 practices there and pick them up and say, "We are going to pay for something that is not in the Federal handbook."

Mr. ROBERTS. That is right.

Mr. POAGE. But anything in the Federal handbook, they can select for their State, they can select the whole 100?

Mr. ROBERTS. Yes. And their selection is final.

Mr. POAGE. If they wanted only to use 10 of them then they could devote all of their money in the State of Maine to those 10 practices if they wanted. That is all there is to it, isn't it?

Mr. ROBERTS. That is correct.

Mr. HOPE. Will you yield?

Mr. MCINTIRE. Yes.

Mr. HOPE. As I understand it, this does not confer any power that is not at present being exercised?

Mr. ROBERTS. That is correct, Mr. Hope. This power and authority has been exercised since 1945.

Mr. HOPE. But they fear that they would be subject to a point of order at any time it was exercised?

Mr. ROBERTS. Yes, sir.

### ACP ALLOTMENTS TO OTHER AGENCIES FOR TECHNICAL SERVICES

Section 6 (c) provides authority for transferring ACP funds to other agencies for technical services subject to such limitations and conditions as may be provided in appropriations or other law, and for placing such funds in a single account for each State.

The Appropriation Act now authorizes the transfer of up to 5 percent of county allocations to the Soil Conservation Service, and an additional 1 percent to other Federal, State, or local agencies, for the services of technicians in formulating and carrying out the agricultral conservation program, on the recommendation of the county committees and approval of the State committees, and authorizes the placing of such funds in a single account for each State.

This is presumably subject to a point of order since it varies the Department's transfer authority for ACP funds included in the Soil Conservation and Domestic Allotment Act.

The point of order would probably be sustained against the words "or local agencies" because that is not carried in the Soil Conservation Domestic Allotment Act. This language has been in the act, I believe, since 1948.

Section 6 (c) would provide basic authority for such transfers, including transfers to local public agencies (p. 4, lines 19 and 20), subject to limitations and conditions prescribed in appropriation acts; and would permit placing such funds in a single account for each State (p. 5, lines 6 through 12), as we are now doing.

### LIMITATION ON ADMINISTRATIVE EXPENSES FOR NATIONAL AND STATE OFFICES

Section 7 would authorize administrative expenses of National and State offices under section 392 of the Agricultural Adjustment Act of 1938, to the extent provided in appropriation or other law.

The 1957 Appropriation Act authorizes administrative expenses for National and State offices of the Commodity Stabilization Service

under the appropriation "Agricultural adjustment programs" (administration of acreage allotments and marketing quotas) in the amount of $6.3 million which is in excess of the 3 percent limitation specified in section 392.

Section 7 would authorize the inclusion in appropriation acts of the amounts determined to be necessary for administrative expenses, when such amounts exceed the 3 percent limitation in section 392.

On that section I might just say this, Mr. Chairman. When the Soil Conservation and Domestic Allotment Act was passed it was intended that that limitation would apply against program funds and would be a limitation against such program funds.

When we got into the acreage allotment and marketing quota programs under this new appropriation that was set up a few years ago for agriculture adjustment programs, those funds were actually administrative and operating funds. They were not program funds such as section 392 originally contemplated.

Thus, since about 1950 when the appropriation was set up for administration of acreage allotment and marketing quotas, the funds made available for State and National expenses because of this new situation have far exceeded the 3 percent.

### REPRESENTATION ALLOWANCES

Section 8 would authorize the use of funds available for carrying out title VI of the Agricultural Trade Development and Assistance Act, which provided for the transfer of the agricultural attachés to the Department of Agriculture, for extending courtesies in the United States to representatives of foreign countries when so provided in appropriation or other law.

The proposal would provide for the payment of expenses of necessary official entertainment and other courtesies extended in the United States to representatives of foreign countries concerned with agricultural matters.

This language would extend to a limited number of top officials in the Department in the United States the same type of authority which is presently available to the agricultural attachés stationed in foreign countries and which is presently available to several agencies of the Government. This authority is urgently needed in view of the increasing importance of the Department's activities concerned with the development of foreign markets for surplus agricultural commodities.

Extension of courtesies of this kind helps to establish conditions which permit the most effective working relationships, and is essential to the successful accomplishment of the objectives of the Department's foreign agricultural work.

The Department has authority for payment of representation allowances overseas but there is no authority for the payment of such expenses in the United States.

This is the first item in the bill which is not a point of order item in the sense that this extended language is now carried in the appropriation bill.

The Department now has the authority to provide representation allowances to the attachés under the authorities which were provided when the attachés were transferred to the Department of Agriculture. The appropriation bill carries $20,000 for that purpose.

If this provision were enacted into law, it would permit those same courtesies to be extended to foreign visitors in this country.

The situation we are now in is this, and I will use a specific example.

When the Secretary visited Spain, he was entertained very lavishly by the Spanish Government. When the Minister of Agriculture of Spain visited the United States the courtesy which the Secretary extended to him had to be paid from the Secretary's personal funds.

Mr. POAGE. Let me ask, what does he do with these counterpart funds that you accumulate?

You accumulate counterpart funds over the world and you can use them within the countries abroad to develop foreign markets for agricultural products. Obviously, none of those counterpart funds can be spent in the United States directly. I do not know whether you can convert them into other currencies and use them in the United States.

Mr. ROBERTS. Under the agreements we cannot convert them. We can use them in other countries, and under the various agreements we are executing under Public Law 480, we are providing for the use of some of those funds for local costs, administrative expenses of our attachés, and so forth. But we cannot use them in this country.

Mr. POAGE. I just want to pass on my opinion. Whether it is the opinion of the committee or not. They can object if they do not like it.

In my opinion, you do not use those funds enough. We use appropriated funds. I am not objecting to appropriating this money. I think it is desirable to do so.

I do not think we make full use of those counterpart funds even in the foreign countries. For instance, you had just as an illustration—I am not offering this as special criticism—you had a meeting of agricultural attachés in South America which was held in Caracas a few months ago.

I understand you paid their way with appropriated funds. Obviously, you should pay their way. I am not suggesting that they should walk or hitchhike their way there. But in practically every one of those countries you had counterpart funds.

I can see no reason in the world why you could not have paid their way with counterpart funds.

Mr. ROBERTS. I would want to look into that, Mr. Poage. There may have been some restrictions on the use of counterpart funds for travel of that kind. But we are utilizing every resource that we have of local funds to meet local expenses within the framework of the agreement we have with each particular country.

We will be glad to explore 1 or 2 of these further possibilities that you mentioned.

Mr. POAGE. You can do this with those counterpart funds. You have some counterpart funds—you have a lot of them in Brazil—but you have certain counterpart funds in Chile, I believe. That money will buy tickets on the airlines that operate over most anywhere in South America, at least Pan American and Braniff will take them. They will take that money.

And buy tickets, let us say, buy them in Buenos Aires in Argentine. You can take those counterpart funds in Argentine money and buy

tickets on the Braniff or Pan American lines to move somebody from Rio to Caracas.

Do your agreements prohibit that sort of thing?

Mr. ROBERTS. I would have to check that, Mr. Poage. When I last examined this problem, I was definitely left with the impression that we were using counterpart funds wherever it was possible to do so within the framework of the agreements.

Mr. POAGE. I am not trying to make an issue of that.

Mr. ROBERTS. Whether we can use them for the specific instance that you are referring to I would have to check.

Mr. POAGE. I do not want to be condemning what is going on. I am simply wanting to point out that it seems to me that we ought to broaden rather than circumscribe the use of these funds. We have already spent that money, might as well get something for it.

Mr. ROBERTS. We have the same objective that you have, I am sure. But such funds would not be applicable to what we are talking about here.

ALLOCATION OF FARM OWNERSHIP LOANS TO STATES

Section 9 (a) would authorize the distribution of farm ownership loan funds, appropriated for loans in reclamation projects and to entrymen on unpatented public lands, without regard to statutory formula to the extent provided in the Appropriation Act.

The Appropriation Act presently authorizes the distribution of not more than $5 million without regard to the statutory formula in basic law, which presumably is subject to a point of order.

And a provision to the effect that this $5 million may be used without regard to statutory formula was put in the appropriation act first in 1951 and has been carried each year since that time in order to take care of these special cases. It is obviously subject to a point of order.

Mr. HOPE. How important is this? I do not recall the language of the original act.

Mr. ROBERTS. The statutory formula is in title 7, United States Code, section 1004, and provides as follows:

> In making loans under this title the amount which is devoted to such purposes during any fiscal year shall be distributed equitably among the several States and Territories on the basis of farm population and prevalence of tenancy, as determined by the Secretary. Provided that there may be distributed to each State such amounts as are necessary to finance loans pursuant to all bona fide applications from veterans qualified under section 1001 of this title.

Mr. HOPE. How long have we been using language in the appropriation act to modify that?

Mr. ROBERTS. Since 1951, sir.

Mr. HOPE. What have been used—has there been much of the $5 million?

Mr. ROBERTS. Outside of the formula we have used roughly $3 million.

Mr. HOPE. This refers to loans, as I understand it, on public and patented lands. Are we still having homestead entries outside of the lands that are in the reclamation projects? I didn't think we were. There might be an occasional situation but I thought that under all of the rules that were being followed by the Interior Department on public lands there were practically no entries at this time.

Mr. Roberts. There may be a few yet. This problem of the entryman was created and became quite an issue as a result of Public Law 361, which was enacted in October 1949. It was the result of the passage of that act which made possible farm ownership loans to entrymen that these pressures were brought to bear to get this exclusion from the formula.

Mr. Hope. Yes.

Hr. Roberts. How much activity there is currently, I would have to check, Mr. Hope.

Mr. Hope. I doubt if there is very much; except in cases where public land has been brought into reclamation there would be very little, I would think.

Mr. Roberts. The large majority of the loans to people on reclamation projects, of course, are to veterans and that is important.

Mr. Hope. Yes.

Mr. Chairman, I wonder if Mr. Roberts would mind submitting something for the record.

Mr. Roberts. I would be glad to do that.

Mr. Hope. To cover that.

Mr. Roberts. Yes.

(The information requested is as follows:)

Loans to entrymen on unpatented public lands outside of reclamation projects have constituted a relatively small portion of the total funds which have been utilized under this authority. The Farmers' Home Administration does not have readily available in its Washington office the amounts used for this purpose but they are not believed to average more than 10 to 15 percent of the total for both entrymen on unpatented public lands and settlers on reclamation projects. Total loans to both types of borrowers in the last three fiscal years are as follows:

| | |
|---|---|
| 1954 | $3,235,000 |
| 1955 | 2,513,000 |
| 1956 | 1,738,000 |

Loans to entrymen on unpatented public lands have been made in those Western States which have small farm populations and low percentages of tenancy. For this reason, the States involved receive only small allotments of funds under the distribution formula set up in title I of the Bankhead-Jones Farm Tenant Act, as amended. When additional lands are opened for homestead entry, the amount of loans in the particular State might be quite substantial and could not be taken care of from the regular allotment of only about $100,000 that usually would be available to the State under the distribution formula.

Mr. McIntire. Do I understand from this provision that this does in effect neutralize the formula; in other words, say notwithstanding the formula we go ahead and appropriate such sums as the Appropriation Committee may wish to appropriate?

Mr. Roberts. It neutralizes the formula, in part, in States where this authority is exercised. The formula applies to the extent of funds available, other than those used for reclamation projects, and then the distribution is made outside of the formula so that the State in which the reclamation project is located, or an entryman right is exercised, gets its part under the formula plus that part which is represented by the $3 million which I mentioned.

Mr. McIntire. Thank you.

Mr. Roberts. So the formula operates except on that part of the fund which is outside of the formula. Then the excluded sum is added onto the amount that the State receives under the formula.

Mr. Poage. What percentage is that? What is that $3 million out of?

Mr. ROBERTS. Out of $19 million—about $3 million out of $19 million.

If the committee is interested I could put in the record along with the statement that Mr. Hope asked for, a distribution in the current year by States.

Mr. POAGE. These reclamation States might want it. Does it simply result in giving them $3 million additional?

Mr. ROBERTS. That is what it amounts to in those States in which these rights are exercised.

Mr. WATTS. Is this one restricted to loans on reclamation projects and entry on public lands?

Mr. ROBERTS. Not the total loan fund; no. The total fund is for our regular farm tenant-loan program.

Mr. WATTS. It covers the entire United States, the regular loan programs?

Mr. ROBERTS. Yes, that is correct.

Mr. WATTS. That is based on the population?

Mr. ROBERTS. Population and prevalence of farm tenancy.

Mr. WATTS. This is an extra $5 million?

Mr. ROBERTS. For this specific purpose.

Mr. WATTS. The regular fund on the distribution basis was not enough to take care of some reclamation areas, and so forth?

Mr. ROBERTS. That is correct, sir. That is the reason the Appropriation Committee wrote in this special provision.

Mr. WATTS. You have now used about $3 million of the $5 million?

Mr. ROBERTS. We have used about $3 million of the $5 limitation, yes. The remaining $16 million of the total of $19 million is distributed to the States under the statutory formula.

Mr. WATTS. The reason there was not enough money is due to the fact that the population in States where they have reclamation projects is sparse?

Mr. ROBERTS. Yes, the formula did not provide sufficient money in those States where there are reclamation projects. Tenancy was low and so on.

Mr. POAGE. Proceed.

Mr. HAGEN. Most of your pressure is brought against public lands?

Mr. ROBERTS. We have had both, Mr. Hagen. We had considerable pressure in 1949, 1950, and 1951, I remember.

Mr. POAGE. Proceed.

### SINGLE ACCOUNT FOR FHA ADMINISTRATIVE FUNDS

Mr. ROBERTS. Section 9 (b) would provide that funds for administrative expenses of the Farmers' Home Administration may be placed in a single account when authorized by appropriation or other law.

The annual appropriation act authorizes the transfer of specific amounts from the farm tenant mortgage insurance fund to the salaries and expenses appropriation to cover part of the cost of the insured-loan program.

Thus a part of such costs are borne by the appropriation. The appropriation language making transfers from the insurance fund to the appropriation is presumed to be subject to a point of order since it makes the funds so transferred (which by basic law are avail-

able only for expenses in connection with the mortgage-insurance program) available for expenses in connection with all programs administered under the appropriation for salaries and expenses.

However, similar authority is included in section 1 (g) of H. R. 11544 as passed a few days ago by the House. If that section becomes law, section 9 (b) of H. R. 11682 could be eliminated from this bill.

### DEFINITION OF FCIC ADMINISTRATIVE EXPENSES AND PAYMENT FROM PREMIUM INCOME

Section 10 would amend the Federal Crop Insurance Act to include the direct costs of loss adjusters in the definition of nonadministrative expenses for the Federal Crop Insurance Corp., by inserting the phrase "and the direct cost of loss adjusters for crop inspections and loss adjustments" appearing on page 6, line 25, and page 7, line 1, of H. R. 11682; and authorize the Corporation to use premium income for administrative expenses and operating costs within limits prescribed in applicable appropriations as indicated in the last sentence of section 10 appearing on page 7, lines 3 through 5.

The annual appropriation act carries these authorities, but the provisions are presumably subject to a point of order as varying the definition and authority contained in the basic law for crop insurance.

Direct costs of loss adjustments are generally considered by commercial insurance companies to be nonadministrative expenses and are usually paid from premium income.

The proposal to use a portion of premium income for administrative expenses is desirable in order to have sufficient flexibility in funds needed to cover sales costs.

The cost of new sales is extremely variable since it is difficult to estimate in advance just what the volume of business will be. Thus, the proposed section would provide the needed flexibility and permit more effective operations.

Mr. POAGE. Does not that practice simply tend to make this crop insurance look worse? Isn't it calculated to try to break down the crop insurance program? Isn't that what we are doing here?

Congress said we would pay administrative expenses whether rightly or wrongly. We said we would pay the administrative expenses.

Now, this is the act whereby we dig into the premium income for something over $1 million that we do not have to, but we take that much more out of premium income and make it look that much worse. Isn't that really what we are doing?

Mr. ROBERTS. It depends entirely on the expenses and losses during a given year, Mr. Poage. If the premium income is not adequate to provide for those loss adjustment costs and whatever sales costs as may be over the appropriation provides for, then the costs obviously come out of capital funds.

And to the extent that it does, it does serve to deplete the capital fund. You are right, it makes the corporation losses look worse.

But if you look at both the capital fund and the administrative expense which in the last analysis comes from the Federal Treasury anyway, the result is identically the same.

Mr. Poage. Yes; except it is a question of where you emphasize the loss—you have a loss—when you make it show up that the losses are greater on this thing, why you create some public resentment about it. Therefore, in the long run we get rid of it.

I think there has been such a concerted effort on the part of a lot of people to get rid of this program, it has been a wonder we have been able to keep it going at all.

It seems to me this is just another one of those practices that was intended to break down the program.

Mr. Roberts. Certainly it is not our intention, Mr. Poage, to do so. We are very much interested in the crop insurance program and want to see it succeed.

The thought here was to provide greater flexibility in loss adjustment work because you can't tell in advance what the losses are going to be, and bear in mind we set up our appropriation estimates a year and a half in advance.

We have no idea what our losses are going to be and what the loss adjustment costs will be. Similarly on the sales program, while we set up an estimated amount for a sales program, unless we do have flexibility to draw on premium income for whatever excess sales costs there may be, it means that we have to terminate a sales program, which may be a very successful one, before the period closes within which sales might well be made.

And if that is done, we obviously impair the program and avoid a greater distribution of risk.

Mr. Hope. Of course, you could meet the situation in another way by increasing the premiums. Would not this in the end increase the premiums?

Mr. Roberts. That is a point I wanted to make clear to the committee, Mr. Hope. I am glad you brought it up. There is a bill pending in the Senate which would authorize an increase in the premium rate and inclusion of costs of loss adjustments as a basis for premium rate computations. That bill is still pending. This proposal is not intended to substitute for that bill.

Mr. Hope. Isn't that a more direct and understandable way to get at the question? It seems to me that the question here is whether you should change the law to require that these items of expense be included in the premium. That is really what you are getting at, isn't it, in an indirect way?

Mr. Roberts. You are correct. Eventually, if we are going to take this course of action, over a period of years, a law such as S. 1165 should be enacted to permit adjustment of premiums to take care of these costs. That would be the businesslike way of doing it.

But without having such a law, the appropriation language carries this authority which is subject to a point of order.

Mr. Hope. It seems to me that this is a bad way to get at it. In the end it will result in an increase in premiums. While you are doing it, as Mr. Poage has pointed out, you are impairing your capital by taking those funds and paying these increased costs.

So it seems to me that the straight-out question here is what you want to include in the costs of the insurance. I think this committee ought to have an opportunity to make a clearcut decision on that rather than approach it here by the back door.

Mr. HAGEN. According to your statement the appropriation bills contain this?

Mr. ROBERTS. Yes; it is being done now.

Mr. HAGEN. So it is nothing new?

Mr. ROBERTS. No; it isn't.

Mr. HAGEN. I would not bring any new reflection on the program?

Mr. ROBERTS. It has the effect which I have pointed out and which both Mr. Hope and Mr. Poage have mentioned that when the premium income is not adequate, it results in a charge against the capital funds.

Mr. HAGEN. That does not happen today?

Mr. ROBERTS. Yes; it has. It happened last year.

Mr. HAGEN. Still you took this premium income and paid it?

Mr. ROBERTS. Yes, because it was so provided in the appropriation act.

Mr. WATTS. Under the present law are your administrative expenses in any way chargeable to the premium?

Mr. ROBERTS. No; the administrative expenses as defined by the basic law are provided by appropriation with a limitation, as I remember, of a total of $12 million.

Mr. WATTS. Then do your nonadministrative expenses constitute the basis?

Mr. ROBERTS. Yes, sir.

Mr. WATTS. Then by changing the definition of costs of loss adjusters from "administrative" to "nonadministrative" expenses, you do then provide that the correct costs of loss adjustments become a nonadministrative expense and do reflect themselves in the premium, don't they?

Mr. ROBERTS. No. That is the point. They reflect themselves as charges against premium income, or if premium income is not adequate against the capital fund. But under the present law it is not possible to take these costs of loss adjustments into consideration in setting premium rates.

Mr. WATTS. What do you take into consideration in setting your premiums?

Mr. ROBERTS. The present law provides for the fixing of adequate premiums for insurance in the agricultural commodity at such rates as the board deems sufficient to cover the claims for crop losses on such insurance, and to establish as expeditiously as possible a reasonable reserve against unforeseen losses.

Mr. WATTS. Then you think by changing the direct costs of loss adjustments from administrative to nonadministrative would not authorize you to charge them against the premium?

Mr. ROBERTS. That is right, sir. We cannot use those costs in computing the premium rates.

Mr. WATTS. But it would deplete the capital structure.

Mr. ROBERTS. If the total premium income was not sufficient to cover losses and provide a reserve then we would have to draw on the capital to pay the loss adjustment costs.

Mr. WATTS. If by adding these expenses you further depleted your premium income, would that be a basis for raising the premiums?

Mr. ROBERTS. It has been interpreted that it would not. We have to charge the capital fund if premium income is not adequate.

Mr. POAGE. All right, proceed.

AUTHORIZATION TO ACQUIRE LAND

Mr. ROBERTS. Section 11 (a) authorizes the Department to acquire land by purchase, exchange, or otherwise when so provided in the applicable appropriation or other law.

Some agencies of the Department have basic authority to acquire land when required in the conduct of their programs. From time to time it is necessary for other agencies to acquire land.

For instance, the 1957 Appropriation Act contains authority for the Agricultural Research Service to acquire land for the construction of a new research laboratory at Winter Haven, Fla., and for the national seed storage facility, which will be constructed in Colorado.

Provisions of this type are presumably subject to a point of order as legislation in appropriation acts. The proposed section would not affect in any way existing authorities for the acquisition of land, such as the Weeks Act and acts of that kind. It would still be necessary to obtain specific authority in appropriations or other law for land acquisitions under the proposed section 11 (a).

The CHAIRMAN. Why was it you did not come to the legislative committee to obtain legislation before submitting this matter to the Appropriations Committee?

Mr. ROBERTS. Such as the Seed Storage Laboratory and Winter Haven Laboratory?

The CHAIRMAN. That is something that has been talked about. Is that what you call the seed bank?

Mr. ROBERTS. That is the seed bank; yes, sir.

The CHAIRMAN. You went to the Appropriations Committee and obtained the money for the seed bank, and you circumvented this committee. After the seed bank was underway, then you came to this committee.

I have been considering the seed bank idea for 3 or 4 years. I am not sure, but I think we have a bill before this committee. I am not positive about it, but I know this committee has been interested in the matter.

Mr. DIXON. I put a bill in.

The CHAIRMAN. When was that, this year or last year?

Mr. DIXON. This year.

Mr. ROBERTS. I think you introduced a bill providing for it, Mr. Dixon.

The CHAIRMAN. You now have the seed bank underway and financed. I do not like the idea of your circumventing the legislative committee and going to the Appropriations Committee and starting action and after embarking on the program you come to this committee.

It is out in your State, isn't it, Mr. Hill?

Mr. HILL. Yes. Agricultural College.

The CHAIRMAN. Why was it that the Department went around this committee?

Mr. ROBERTS. I just checked with Mr. Grant, who is the assistant budget officer in the Department. He tells me that this question of the seed bank came up for considerable discussion and with a great deal of support by outside witnesses before the Appropriations Committees on the 1956 agricultural appropriation bill.

And, as I recall, the Appropriations Committees directed the Department to consider an estimate for such a facility in its 1957 estimates.

The CHAIRMAN. Directed the Department to do it?

Mr. ROBERTS. In its report; yes, sir.

The CHAIRMAN. Well, then, you say that the idea of the seed bank originated with the Appropriations Committee and not with the Department of Agriculture; is that it?

Mr. ROBERTS. Oh, it was some of both. The idea of the seed bank has been under discussion between the Department, the land-grant colleges, and the seed trade for a number of years. It has come up periodically.

The CHAIRMAN. How many items are in the bill before us for which you are seeking legislative authority? There are several in number.

Mr. ROBERTS. There are 3 that are legislative authority in the sense that language is not now carried in the appropriations bill, Mr. Cooley.

The CHAIRMAN. Just 3?

Mr. ROBERTS. I mentioned the one in section 8. In addition there are sections 12 and 13.

The CHAIRMAN. You referred to the Organic Act of 1944 in the early part of your statement. That is the act in which we gave legislative authority for numerous activities of the Department?

Mr. ROBERTS. Yes. In the 1944 Organic Act we picked up a good many. There were a large number of items that were then subject to a point of order, and had been before that time carried in the Appropriation Act.

The CHAIRMAN. Do you not think it is bad practice for the Appropriations Committee to initiate and prosecute these activities without legislative authority?

Mr. ROBERTS. Most of these activities, Mr. Chairman, that we are now bringing before you for consideration, as point of order items, have been written into the bill by the Appropriations Committee.

The CHAIRMAN. With the acquiescence of the Department of Agriculture. I think Mr. Pace, former member of the committee, was the man who made a thorough investigation, it is my recollection, of hundreds of items.

Mr. ROBERTS. That was a much more complex bill than this one.

The CHAIRMAN. Surely, it was. Hereafter when a matter of this kind comes up, it seems to me that the Department should come immediately to this committee.

Mr. ROBERTS. In many cases the Appropriations Committee acts, Mr. Chairman, and we do not know that they are going to act on a given item before they report out a bill.

The CHAIRMAN. Sometimes I think they would like to take all of the functions of this committee.

Mr. ROBERTS. I assure you that it is our intention to work closely with this committee. We are not trying to circumvent it.

Mr. HOPE. It seems to me that we should commend the Department for coming up here with a bill in order to meet these situations.

The CHAIRMAN. I commend them for coming but they came a little too late. It would be a whole lot better if they had come to this committee first.

Mr. HOPE. That is perhaps true. And yet I agree with what Mr. Roberts says, in most cases these items were put in the bill by the Appropriations Committee.

The CHAIRMAN. I am not trying to attach all of the blame to the Department. But when that matter came up before the Committee on Appropriations, the Department at least could have called it to our attention. We could have started on them.

Mr. HOPE. Let me ask this question about the seed bank.

As I understand it, the only point at issue here is the authority to purchase land to use in the seed bank. You are using the seed bank as an illustration of the case where you have no authority to purchase land except that the authority was given to you by the Appropriations Committee in the appropriations bill.

Mr. ROBERTS. That is correct.

Mr. HOPE. For 1957. Is there any question about the authority of the Department under the Organic Act to set up a seed bank?

Mr. ROBERTS. No; there is no question of authority. We can go ahead on that. All we are saying here is that the seed bank is an example of the need for some continuing authority from the Congress for the acquisition of land for this kind of a purpose.

And the proposal here is to avoid in the future what happened on the seed-bank case.

Mr. HOPE. You have the authority to set up the seed bank, but don't have the authority——

Mr. ROBERTS. To acquire the land.

Mr. HOPE. To buy the land?

Mr. ROBERTS. That is correct, to buy or accept by donation.

Mr. POAGE. About this matter that you suggested of the Appropriations Committee instructing you to include an item of this kind in your budget, I am delighted to find that the Department is taking instructions from any committee of the Congress.

I just wonder if you take instructions only from the Appropriations Subcommittee or do you take such instructions from this committee, too?

Mr. ROBERTS. I think we take instructions from both, Mr. Chairman.

Mr. POAGE. Then do I understand that if this committee requests—I won't say instructs because I do not think they have any right to instruct you—requests you to put an item in your budget in your request for money next year, that you will probably put it there if we request it.

Mr. ROBERTS. We would be glad to consider it—certainly.

But bear in mind we have budgetary limitations that we have to adhere to.

Mr. POAGE. When the Appropriations Committee instructed you to put it there, it just went in automatically. That is the way I understood your statement a moment ago.

You said the Appropriations Committee instructed you to include this item in your budget.

Mr. ROBERTS. It is my recollection that the House and Senate Appropriations Committees, in their 1956 reports, instructed the Department to take into consideration the need for this seed bank and to

consider it in submitting its estimates to the Congress for 1957. And that was done.

It was not until the committee reports were out that there was any knowledge on our part of the committees' action.

The CHAIRMAN. You knew when they called upon you to place the item in your budget, that they were giving serious consideration to making provision for a seed bank?

Mr. ROBERTS. Surely.

The CHAIRMAN. It seems to me then that if the Department thought well of the idea that the Department should have sent up an executive communication asking for authority from the legislative committee.

The facility is out in Colorado. Here is a man from Colorado, Mr. Hill, sitting on this committee. He couldn't claim much credit for having put it out there, certainly.

Mr. ROBERTS. The committee did not direct its location. And it was not until this matter had been given very careful consideration that we knew where it was going to be located.

As a matter of fact, the question of its location was discussed with the committee during consideration of the 1957 bill.

Mr. POAGE. How does it come that the Appropriations Committee locates these things? Suppose we gave the instruction about where to put a seed bank, what would you do about it?

Mr. ROBERTS. We would have to consider it, Mr. Poage.

Mr. POAGE. Well, that is all right. You will consider anything that is printed in the newspapers—you will consider it, of course.

But you tell us the Appropriations Committee, they send you instructions. That is not a matter of consideration. They just give you instructions. That is what disturbs me.

Apparently you accept instructions from that committee but from this committee you are glad to consider our suggestion. That is about what it comes to; isn't it?

Mr. ROBERTS. No; I think if your instructions were just as definite as theirs were, we would give it the same consideration, Mr. Poage.

Mr. POAGE. You said—and I did not put words in your mouth—you made the statement half an hour ago, that the Appropriations Committee instructed you to include this item in your budget. So it went into your budget.

Mr. ROBERTS. That is correct, sir.

Mr. POAGE. Well now, if we had instructed you to put an item in your budget you say it would not necessarily go in. When the Appropriations Committee instructs you it goes in automatically.

Mr. ROBERTS. I did not intend to leave such an impression. Perhaps we are playing on words. The Appropriations Committee suggested consideration of providing for a seed bank.

Mr. POAGE. I haven't any objection to the Appropriations Committee making suggestions to you and your considering their suggestions. I think you should. But I do not like the idea of your taking instructions from them and only advice from the legislative committee.

Mr. HOPE. We have, of course, authority to pass legislation commanding the Department to do something.

Mr. POAGE. No—wait just a second—we have the authority to bring in a bill to the House and the House has the authority to pass it. The Appropriations Committee has the same kind of authority, to bring in

a bill, but they do not bring in bills. They do not go to the floor of the House.

They instruct the Department of Agriculture without ever appearing on the floor of the House and without other Members of the House, including the members of the Committee on Agriculture, even knowing what they are doing. They hold secret sessions. We have our doors open. These people today are hearing what we have got to say. We have a record being made.

There isn't a human being except you and God and the Appropriations Committee knows what is going on over there. You go behind closed doors there and accept instructions over there, when nobody can know anything about it. Here the public knows what is going on. And we refer our actions to the House. They do not refer anything to the House. They refer it to you. And get action.

Mr. Roberts. I think you have overlooked the fact that this bill did come to the floor of the House and was acted on by the House.

Mr. Poage. You took your instructions long before there was any bill. You got instructions——

Mr. Roberts. That is correct.

Mr. Poage (continuing). To put it in your budget.

Mr. Roberts. That is correct.

Mr. Poage. That was instructions to go into your budget. It just seems to me that maybe we ought to go to closing the doors and kicking out the public, and firing the stenographer, and getting you up here and saying, "Here, can't we make a deal with you"?

The Chairman. I would like to make one observation. It seems to me that it is a rather unfortunate situation which we are in. The legislative committee is called upon, after the activity has been started, to put our approval upon it.

It seems to me that hereafter, whenever an item appears in the Agricultural Appropriations Act for which there is no legislative authority, the Department should immediately call that matter to the attention of this committee.

First, to the end that the committee might be advised so that it might take such action as was deemed appropriate.

Second, that it might, if it approves the idea, initiate legislation to give the authority.

Mr. Roberts. I would like, Mr. Chairman, to clear up one point. We are not coming to this committee to ask this committee for authority to do something we have already started. The authority is in the appropriation bill. It was passed by Congress.

We can go ahead. We do not have to have any additional authority.

The Chairman. I know that.

Mr. Roberts. The proposal in this bill is to provide the Department with continuing authority to meet similar situations in the future provided they are covered by appropriation language——

The Chairman. Yes.

Mr. Roberts. To acquire land or to accept donations of land for situations such as occurred in the seed bank case.

The Chairman. All right, suppose the appropriations come up for that same item next year. You know it will be subject to a point of order. You would have your activity initiated and underway and the point of order takes it away from you.

Mr. Roberts. It will not be in the bill next year, Mr. Chairman, because the authority to acquire the land, the money to build the facility, was provided in 1957, and that language will be dropped out in the 1958 budget. It won't be necessary to have it.

The Chairman. You want us not only to approve all, but to give you carte blanche authority to continue.

Mr. Roberts. We are not asking you to approve authority to acquire land for the seed bank building. It has been approved by the Congress already.

In this bill we are proposing to avoid a point of order on such an item in the future. We are suggesting that this committee recommend to the Congress legislation which would provide continuing authority to acquire land when a proposal of this kind comes up and is handled by the Appropriations Committee.

The Chairman. It is impossible for any member of this committee to look at a huge agricultural appropriation bill, item by item, and tell quickly whether or not there is a legislative authority for each item in that bill. You know that is impossible for every member to do that.

As Mr. Poage says they have closed sessions and they bring a bill out in a hurried condition and call it up on the floor of the House before the ink is even dry on the paper and we go into that. That is all I have to say.

Mr. Hope. While we are on this subject, I would like to make this comment. This question, of course, is nothing new. It isn't anything that relates to the agricultural appropriations bill any more than any other bill. It is a continuing struggle, ever since the Legislative Reorganization Act of 1921 was passed which set up separate appropriation committees.

It is a continuous struggle that has gone on between legislative and appropriations committees.

And it got so bad back in 1943, I think it was, that after this committee protested to the Appropriations Committee about these items, that we went to the Rules Committee and protested the granting of the rule, which would waive points of order on agricultural appropriations bills.

The committee accepted our side of the controversy and refused to give a rule. And we made points of order on innumerable items in the bill.

The situation then was far more extensive than it is now. And the result was that we came in with the Organic Act of 1944, and straightened that situation out.

This isn't anything like as widespread a condition as existed back in those days because not only was the Appropriations Committee inserting many, many legislative items, but some of the farm organizations had gotten to a place where they were entirely bypassing the Agricultural Committee and going to the Appropriations Committee and getting their legislative proposals enacted in the appropriations bill.

So that I think that the Department is to be commended for coming up here with this bill.

I do not think the Department should be criticized for doing what we perhaps should have done ourselves before this.

The CHAIRMAN. If you will yield. I am not criticizing the Department. I am suggesting that whenever this situation arises before the Appropriations Committee in the future, they, the Department, certainly, should call it to the attention of this committee. That is all I am suggesting.

You have called it to our attention, but it is after the matter has been debated behind closed doors and considered behind closed doors and the bill is reported and it comes to the floor.

I am sure that it is just as much our responsibility as anybody else's responsibility to scrutinize appropriation bills. Seldom, if ever, do you go over an appropriation bill with the idea of finding out what activity has been considered.

Mr. HOPE. It is very seldom any appropriation bill comes up, that does not have some item that is subject to a point of order. Perhaps they have been a little more subtle in the committee in recent years and concealed these items a little better than they did a few years ago when this question came up in such an aggravated form.

In those days they were getting rather arbitrary about it. They just admittedly ignored the legislative committee.

The CHAIRMAN. In the future perhaps it would be a good idea to have the staff of this committee to search the record and examine every item in every appropriation bill. I would rather pass on it then rather than hold a post mortem on it later.

Mr. POAGE. We do not have an opportunity. They schedule the bill at 12 o'clock and at 11:59 they bring out the bill. And you can see it during that 1 minute.

Mr. HARVEY. I am interested in this seed bank.

What is the idea—what is back of that—what is the purpose of that?

The CHAIRMAN. I have considered it. They have seed that will deteriorate and be lost forever to all mankind if they do not put them away and preserve them and experiment with them in future years.

Sometimes they find seed that is not worth anything at the present time which will be developed in the future for some very useful purpose. You have seed years and years old; do you not?

Mr. ROBERTS. Yes.

The CHAIRMAN. Not as old as those under the pyramids of Egypt, however.

Mr. HILL. You could not carry on an experimental project in caring for and keeping seeds under various climatic conditions unless you had a laboratory. It is my understanding that is what you hope to have out of the bill we just recently passed.

It will be located at Colorado A. and M. College, Fort Collins, Colo.

Mr. ROBERTS. Yes.

Mr. HARVEY. How did it happen to go to Colorado?

Mr. HILL. Let me answer that. We didn't say a word about it coming to Colorado until they had examined all of the places like Iowa and Indiana, and all west of the Mississippi and the Missouri Valley and decided that it should be between Colorado and Utah.

Utah is just a little farther over the mountains than Colorado and they took Fort Collins.

Mr. POAGE. Will you proceed?

Mr. ROBERTS. The next item is an old one that has been carried in the Appropriation Act for years. It was considered by this committee when we were working with you in drafting the organic act in 1944.

And the committee decided that it was not of enough consequence to write it into substantive legislation.

It is a question of whether the Department should have basic legislative authority to pay not to exceed $1 for options on land purchases. We occasionally have a situation where we have to take an option on the land, and the language has been put in the appropriation bill. It has been carried there for years.

It is just a question of whether you want to take it up and put it in this bill. This committee decided once before not to include it.

The CHAIRMAN. I have some recollection that I communicated with the Department myself about this seed-bank proposal in 1955. I think it must have been long before the proposition was discussed in the Appropriations Committee. I have requested Mr. Heimburger to find my communication.

What actually happened is that this time you got by without a point of order. Now you want to be sure that you get by in the future even if a point of order is made because the point of order would not be sustained if you get this blanche authority to go ahead to buy what you want to buy.

Mr. ROBERTS. It would not be subject to a point of order if this language is adopted, provided the authority for the acquisition of land is carried in the appropriation bill.

The CHAIRMAN. That is right.

Mr. ROBERTS. Payments for options to purchase land: Section 11 (b) would authorize the Department to use appropriations available for purchase of land for the payment of options for land purchases at not to exceed $1 for each option.

The annual appropriation act has included such authority for many years. It is presumed to be subject to a point of order because authority to purchase land does not automatically authorize payment for options to purchase the property.

The Comptroller General has held that funds are not available for the cost of options in the absence of specific statutory authority.

### TRAVEL EXPENSES OF PERSONNEL INSPECTING, CLASSING, AND GRADING AGRICULTURAL COMMODITIES

Section 12 would authorize the Department of Agriculture to pay travel expenses between places of recruitment and duty and for travel while at such duty points, of persons appointed for temporary or seasonal services in inspection, grading, and classing of agricultural commodities.

These activities require the services of trained personnel who are willing to work on a seasonal or temporary basis and who must frequently be recruited from localities quite distant from the area of work.

Because of the short duration of work, and distances involved, many refuse employment if forced to pay their own travel expenses. Although we are now paying travel expenses of these employees, the General Accounting Office has informally requested that we seek specific legislative authority for continuation of the practice.

Mr. WATTS. I know at home when the graders are used in Maryland they get a per diem. They may be living in Kentucky and assigned

to duty 200 miles away and they are not permitted to get per diem although it is impossible for them to commute.

As I understand this provision it would provide to cover a situation of that kind.

Mr. Roberts. That is correct. It would permit us to pay for the travel expenses between places of recruitment and places of duty and while at such duty points, of persons who are appointed for seasonal work in classing, grading, and inspection activities.

It is particularly acute in the case of tobacco graders and cotton classers.

The Chairman. I have people in my area who are doing this inspection work. As has been pointed out they have to travel a hundred miles today, some of them, and they do not get any mileage at all, and do not get any per diem.

And they are on seasonal work only, employed part of the year. If this provision goes in, would you be able to pay them?

Mr. Roberts. Yes; if we have a tobacco grader, for example, who is qualified as a tobacco grader living in North Carolina, and we need his services in South Carolina, it will permit us to pay his travel expenses to South Carolina and while at the temporary-duty point.

The Chairman. I have been talking with Mr. Rhodes about it recently. It does seem to me that it is a hardship on some of these seasonal employees to have to commute as far as they do. Would this enable you to pay them for the distance they have to commute?

Mr. Roberts. I am not sure that I understand your problem.

The Chairman. The man is living in Henderson, N. C., actually working in Goldsboro, for instance.

Mr. Roberts. He wants to commute daily?

The Chairman. He has to commute, the only way he can do it. He cannot afford to move his family down there just for the season, the time that particular market is open, because when he completes his work there, he goes to the eastern belt and from the eastern belt goes to the old belt and then out to Kentucky.

Of course, you do not expect him to pay his expense from one State to the other.

Mr. Roberts. Mr. Cooley, I have talked with Mr. Mostow, the representative from the General Counsel's Office, who is here, and he says this would cover the situation you are talking about.

The Chairman. I hope it does, because the Director of the Inspection Branch, I think, agreed that something should be done.

You cannot keep good employees unless you do provide some way of taking care of their compensation and their travel expenses.

Mr. Hill. If you will yield, I would like to bring up another question right on this very point. That is this: Why do certain departments under the Department of Agriculture—why do some of them pay 10 cents a mile on the use of a car and others only 7 cents?

Mr. Cooley, that won't help your boys at all down there if you are only going to pay a man 7 cents a mile for operating an automobile. I know, because we have kept the record on these automobiles. And you just cannot operate an automobile at 7 cents a mile.

Now, you are going to increase the taxes again if the road bill is signed by the President. And I would like to see the Department pay them all 10 cents. Some of them you only pay 7.

Mr. ROBERTS. Mr. Hill, that is a different question entirely.

Mr. HILL. It is. This is a good place to bring it up because you are the budget official down there and these boys should not be held to any 7 cents. They cannot operate their car at 7 cents.

The CHAIRMAN. Better get 7 cents than nothing at all.

Mr. HILL. He better get the expense of operating an automobile if you expect to keep good men.

Mr. ROBERTS. The authority for increasing mileage rates is in the Travel Expense Act passed by the Congress here about a year ago.

Mr. HILL. That is the Appropriations Committee again?

Mr. ROBERTS. No, that is basic legislation. Public Law 189, approved July 28, 1955, authorized a mileage rate of not to exceed 10 cents a mile. At that time the Department of Agriculture examined the situation in all of its agencies. We made cost studies and came up with the result that in the Department of Agriculture, for the nature of the travel that we had, 7 cents a mile was then adequate. This was a year ago. All of the agencies of the Department agreed to that. We have that as a uniform situation in the Department. One agency of the Department is not paying 10 and another 7.

However, in view of the increased costs of operation and the increased costs of cars themselves, we started a study here a few weeks ago to determine whether it is desirable or necessary to increase the 7-cent rate to 8, 9, or 10 cents.

That study is now in process. I hope we will have something on it within the next week or so. We will then make a new determination.

Mr. HILL. I want to place myself on record as being in favor of paying these men because you will find your Department has very few men that don't have college degrees. Paid a high cost and high price for their education. You want to give them an automobile and let them run it at their own expense.

I know something about county agent work. Unless you have a fine group of county commissioners, the first thing you know the county agent, demonstration agents were paying money out of their pockets.

Mr. ROBERTS. It may be, Mr. Hill, that some of the county agents are getting 10 cents because they are not under Federal direction and supervision.

Mr. HILL. Exactly. That is what is happening in many places because the local people understand that you cannot operate a car over the types and kinds of roads that some of these men must operate over.

Mr. ROBERTS. The Federal Travel Expense Act does not apply to the county agents.

Mr. HILL. This is an important matter because we do lose a fine type of man because he can get a better job at a higher rate. We lose all of this experience.

Mr. ROBERTS. Mr. Mostow has a response he would like to make to your question, Mr. Cooley, if that is satisfactory.

Mr. MOSTOW. We were in a meeting with some people in the Agricultural Marketing Service recently and raised this very question that you have mentioned. As I understand it, the problem comes about because we will hire a man, a tobacco grader at, say, Henderson, and he will buy a house there and get permanently stationed and then next

year he may be required to transfer his working point, his official station, to a point 50 or 100 or more miles away. And that is one of the problems which this language will overcome.

The CHAIRMAN. That is what I hope it will overcome, because I can see you are going to lose some good men if you do not make provision for that.

I would like to go back one minute, and I do this in defense of this committee. I thought I was right about it.

In May 1955 I wrote a letter to Secretary Benson about the seed bank and pointed out to him that I understood the seed had been brought from the far corners of the world and that it was necessary or desirable to find a safe place to store them, so that the germination might be retarded or retained for a long period of years.

And on May 27, 1955, he wrote me a letter replying to my letter in which he said:

> We are aware of the need for this facility and recognize that it would benefit our own crop improvement research pogram as well as those of cooperating State agricultural experiment stations and private industry plant breeders. We plan to review the needs for this seed storage facility in relation to other needs and financial resources as a part of the regular 1957 budget process.

I have a memorandum which Mr. Heimburger prepared and put in the file thereafter:

> Proponents of the national seed bank appeared before the Appropriations Subcommittee this year and received favorable attention from the subcommittee members. There was no item for such a building in the Department's budget, however, and no funds were provided for this purpose.
>
> In its report the Appropriations Committee mentioned this proposal in language which sounded sympathetic to the proposal, but said that it thought the matter should come from the Department of Agriculture in its regular budget after consideration of building needs throughout the country.
>
> Since the Secretary already has the authority to construct this building and since the Appropriations Committee seems sympathetic to the project, it seems to me that the best approach might be for you to address a letter somewhat along the lines of the attached draft to the Secretary asking him to commit himself to include an item for a seed storage facility in his next departmental budget.

So, apparently, I only requested it and the Appropriations Committee directed it. [Laughter.]

Hereafter we will put words in there, "We direct you to do this," Mr. Heimburger. [Laughter.]

(The letters are as follows:)

MAY —, 1955.

Hon. EZRA T. BENSON,
*Secretary of Agriculture, Department of Agriculture,*
*Washington, D. C.*

DEAR MR. SECRETARY: During the past few months I have received a large number of requests from the most responsible sources, for congressional action to bring about the construction and operation by the Department of Agriculture of a seed-storage facility where seeds which might have some future value to American agriculture could be safely stored and their germination retained for a long period of time.

It is pointed out that many of the most valuable varieties of agricultural crops have been developed from parent seed stocks which are no longer cultivated as crops and which may, in fact, have been wild varieties which have never been cultivated domestically. Many of these seeds have been brought to the United States from the far corners of the world, and in spite of some effort at preservation of seed stocks by experiment stations and commercial seed breeders, it seems likely that many of these parent stocks will eventually be lost unless there is an intentional and scientific effort made to preserve them.

I would be happy to introduce a bill directing the Secretary of Agriculture to plan and construct such a seed-storage facility but I find upon investigation

that you have the legal authority to take that action and I am reluctant to sponsor a bill directing you to do something for which authority already exists. I believe, however, that such a facility should be operated by the Department and I believe many other Members of Congress share this viewpoint. I am informed that the House Appropriations Committee has indicated that it would not take an unfriendly attitude toward an item for this purpose in the Department budget.

It seems to me that inclusion of such an item in your next departmental budget would be the proper way to determine congressional policy on this matter, and I would welcome a letter from you indicating your intention in this respect. I am sure that such a clear statement from you would satisfy those who are deeply interested in this meritorious proposal.

Sincerely yours,

HAROLD D. COOLEY, *Chairman.*

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MAY 27, 1955.

HON. HAROLD D. COOLEY,
*Chairman, Committee on Agriculture,*
*House of Representatives.*

DEAR CONGRESSMAN COOLEY: This is in reply to your recent letter relative to the construction and operation by this Department of a seed-storage facility for preserving seed stocks of crop varieties of value in future breeding programs.

We are aware of the need for this facility and recognize that it would benefit our own crop improvement research programs as well as those of cooperating State agricultural experiment stations and private industry plant breeders. We plan to review the needs for this seed storage facility, in relation to other needs and financial resources, as a part of the regular 1957 budget process.

We sincerely appreciate your interest in this facility and the Department's research program.

Sincerely yours,

E. L. PETERSON,
*Assistant Secretary.*

Mr. HOPE. No one knows whether the Department responded to your request or the Appropriations Committee direction. [Laughter.]

The CHAIRMAN. I guess that is right.

Mr. POAGE. You have only one more item, Mr. Roberts. Proceed.

Mr. ROBERTS. The last section of this bill is another item which is not a point of order item but a facilitating authority which we would like this committee to consider and earnestly hope that you will include it in any bill you report.

It should be section 13. In the bill it is designated as section 14.

## FOREST SERVICE WORKING CAPITAL FUND

The last section would establish a working capital fund for furnishing supply and equipment services in support of the programs of the Forest Service. The language is the same as that included in the 1957 budget.

In the act making appropriations for the Forest Service for 1957 this item was eliminated. It was not included in the act as finally passed. The House Committee on Appropriations stated in its report on the appropriation bill that the matter should first be considered by the proper legislative committee.

The enactment of this provision would meet the need of the Forest Service for a better method of financing and accounting for the supply, equipment, and other service operations which are necessary to support programs, many of which are of an emergency nature, at many locations throughout the country.

The working capital fund method is in use successfully in two other similar operations in the Department. One is at Beltsville and the other is in our central duplicating photographic plants at headquarters

here in Washington. The first such fund was established in 1943. Similar funds also exist in several other agencies of the Government.

To state it briefly, a working capital fund is a facilitating administrative device which greatly simiplifies the problem of providing services to numerous progams. It mininmizes the complexities of procurement and accounting and makes it less difficult to maintain the integrity of appropriations.

The capital in this kind of fund is never impaired or depleted since all services supplied must be paid for by the program receiving them.

I would like to emphasize that no appropriation would be required to establish the working capital fund proposed in this bill. The capital would be provided by the transfer of existing inventories of supplies and equipment and other assets.

This fund would enable the Forest Service to provide, in a more efficient and businesslike manner, the support required for its programs which, in addition to their widespread nature, involve emergencies caused by fires, floods, and other disasters.

We would transfer to the fund as its original assets the inventories of supplies and equipment which are now in the Forest Service hands and which have been purchased from the various appropriations that are available for carrying out Forest Service activities.

Thereafter these common service supplies and equipment would be used by the various activities in the Forest Service from this central source, and the central source would bill the Forest service appropriation for which the service was rendered.

Thus, if fire-control activities needed certain supplies and equipment, trucks, and so on, they would be furnished from the working capital-fund operation and the fire-control appropriation would be charged on a daily-rate basis for the use of that equipment, or for whatever supplies were issued.

Similarly, if supplies were needed for construction in connection with the forest management and protection activities, those supplies would come from this common source and the appropriation for the protection and management of the national forests would be charged.

As it is now, we buy certain equipment from the appropriation for protection and management of the national forests, and then if it became necessary to use such equipment for fire fighting, we reimburse the national forest protection and management fund at a later date. This is a very cumbersome and time-consuming procedure. This section would provide a more businesslike way of doing it.

The proposal has been cleared with both the Budget Bureau and the Comptroller General's Office. They are both very much in favor of it.

Mr. POAGE. You would like to get your supplies in larger batches, I take it?

Mr. ROBERTS. It would centralize the supplies and equipment into a larger inventory which would provide for much better utilization than we have now, and more businesslike methods of charging the costs to the proper appropriation and activity.

That is all I have Mr. Chairman. I have provided the committee with a more detailed description item by item of the bill.

(The document is as follows:)

UNITED STATES DEPARTMENT OF AGRICULTURE—SUMMARY OF PROVISIONS OF H. R. 11682, H. R. 11699, and S. 3991

ERADICATION OF FOOT-AND-MOUTH AND OTHER CONTAGIOUS DISEASES OF ANIMALS AND POULTRY

Section 2

*Payment of claims for exposed materials*

The appropriation act includes authority for payment of claims growing out of destruction of materials affected by or exposed to contagious animal diseases.

Existing basic authority (Act of May 29, 1884, as amended) provides for payment of claims for destruction of exposed or diseased animals and poultry but makes no provision for payments for the destruction of materials affected by or exposed to contagious or infectious animal diseases. It is proposed to amend this basic statute to authorize the payment of indemnities for such materials. It is also proposed to revise slightly the language of section 11 of the 1884 act for editorial clarity.

Section 3

*Extension of facilitating authorities for eradication activities*

The appropriation act extends the facilitating authorities now contained in the act of February 28, 1947 (21 U. S. C. 114c), relating to the foot-and-mouth eradication and control program in Mexico, to all eradication activities under this item. The principal authorities involved are: (1) Expenditures for printing and binding at places other than the Government Printing Office, (2) the purchase or hire of passenger motor vehicles and aircraft to meet emergencies without reference to existing limitations, and (3) the construction and operation of research laboratories, quarantine stations, and other buildings and facilities.

Since these authorities are not contained in the act of May 29, 1884, which is the basic authority for the Department to control and eradicate animal diseases, the language in the appropriation act is subject to a point of order. The bill proposes to overcome this point of order by amending the act of February 28, 1947, to extend the same authorities to activities conducted under the act of May 29, 1884.

Section 4

*Expenses of advisory committees*

The appropriation act authorizes the Forest Service to pay the travel expenses of advisory councils or similar groups. This provision was inserted in the appropriation act to enable the Forest Service to pay the expenses of advisory committees or councils which advise the Forest Service on the administration of national forest lands. The act of March 4, 1909 (31 U. S. C. 673) prohibits the payment of expenses of committees whose creation is not authorized by law. Although the act of June 27, 1944 (31 U. S. C. 696) appears to have modified the 1909 act to the extent of permitting an appropriation for payment of expenses of certain committees, the appropriation language in this case is considered subject to a point of order since it does not specifically name the committees involved.

There is need from time to time for similar authority in other agencies of the Department. Therefore, the bill includes a section which would authorize the payment of expenses of committees established to advise on programs of the Department. As a matter of permanent legislation it does not appear desirable to limit this provision to only one agency of the Department. The proposal in the bill would make adequate provision for future needs.

Section 5

*Authority to furnish subsistence to employees*

The appropriation act authorizes the Soil Conservation Service to furnish subsistence to employees. This authority is needed by the Soil Conservation Service in connection with its snow surveys. Shelters are stocked with food

which may be used by snow surveyors in the event emergency conditions prevent them from returning to headquarters. No reimbursement is required from the employee, nor is the value of such subsistence considered in fixing the employee's salary.

It is proposed to include in the basic law provision that would enable the Department to furnish subsistence to employees, without deduction from their pay, where warranted by emergency conditions, under such regulations as the Secretary may prescribe. This would not change the normal procedures under the act of March 5, 1928 (5 U. S. C. 75a).

## AGRICULTURAL CONSERVATION PROGRAM

### Section 6 (a)

*Payment on certificate of claimant*

The appropriation act includes authority for payments to a farmer on his certification that he has carried out the conservation practices and has complied with all other requirements for such payment. This is subject to a point of order since it varies the procedure prescribed in the certifying officers statute. The provision was inserted in the appropriation act several years ago.

The bill would amend the Soil Conservation and Domestic Allotment Act to make this authority permanent legislation.

### Section 6 (b)

*State committee approval of practices*

The appropriation act provides that the State committees appointed pursuant to section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended, shall determine and approve the measures which will encourage and provide for soil-building and soil- and water-conserving practices in the most practical and effective manner and adapted to conditions in the several States. However, section 8 (d) of the Soil Conservation and Domestic Allotment Act provides that payment shall be conditioned upon utilization of land in conformity with farming practices which the Secretary determines to effectuate any one or more of the purposes set forth in section 7 (a) of the act. Thus it is the responsibility of the Secretary under the basic law to formulate the national program. However, in 1945 the Congress inserted the present language in the appropriation act. It has been construed in the Department to require the State committee to select the practices in their State from those provided in the national program, thus permitting the State committee to select those practices which they deem to be the best adapted to local conditions. Therefore, this item is subject to a point of order since it places the determination of practices to be used in the various States in the State committees rather than in the Secretary.

The bill would provide, as permanent legislation, that payments may be conditioned upon practices approved by the State committees.

### Section 6 (c)

*Allotments to other agencies for technical services, on recommendation of county committees and approval of State committees*

The appropriation act authorizes the transfer of not more than 5 percent of the funds allocated for this program to any county, on the recommendation of the county committee and approved by the State committee, to the Soil Conservation Service for technical services and authorizes the placing of the funds so transferred into a single account for each State. The 1957 appropriation act includes new authority providing for the transfer of an additional 1 percent to other Federal, State, or local public agencies for the same purpose and under the same conditions.

The Soil Conservation and Domestic Allotment Act presently authorizes the allotment of funds to agencies of the Department and the transfer of funds to other agencies of the Federal or State governments. Therefore, the provision in the appropriation act is subject to a point of order because of (*a*) the requirement that the aloltment be made on recommendation of a county committee and approval of the State committee, and (*b*) the provision for placing the funds transferred to SCS in a single account for each State.

It is proposed to overcome these points of order by providing that funds made available for agricultural conservation payments within a State may

be transferred to Federal, State, or local public agencies for services of technicians in formulating and carrying out this program under such limitations and conditions as may be provided in appropriation or other law.

AGRICULTURAL ADJUSTMENT PROGRAMS

Section 7

*Limitation on administrative expenses for the National and State offices*

This appropriation for 1957 is in the amount of $41.2 million, of which not more than $6.3 million may be used for administrative expenses at the national and State levels. Section 392 of the Agricultural Adjustment Act of 1938, as amended, limits the amount which may be used for Washington and State expenses to 3 percent of several appropriations, of which this is one. Since the $6 million authorized for administrative expenses in this appropriation item results in the total 3-percent limitation being exceeded it may be subject to a point of order.

It is proposed to amend section 392 to provide that the amounts used for administrative purposes may not exceed 3 percent of the appropriation unless otherwise provided by appropriation or other law.

FOREIGN AGRICULTURAL SERVICE

Section 8

*Representation allowances*

This section would permit the use of funds for extending courtesies in the United States to representatives of foreign governments. This is subject to a point of order since authority for the Department to incur this type of expense does not now exist in basic law.

The bill proposes to amend title VI of the Agricultural Act of 1954, which provided for the transfer of the agricultural attachés from the State Department to the Department of Agriculture, to permit the use of funds available for carrying out title VI of the Agricultural Act of 1954 for extending the courtesies indicated when so provided in appropriation or other law.

The proposal would provide for the payment of expenses of necessary official entertainment and other courtesies extended in the United States to representatives of foreign countries concerned with agricultural matters. This language would extend to a limited number of top officials in the Department in the United States the same type of authority which is presently available to the agricultural attachés stationed in foreign countries and which is presently available to several agencies of the Government. This authority is urgently needed in view of the increasing importance of the Department's activities concerned with the development of foreign markets for surplus agricultural commodities.

It is the custom in foreign countries for official Government representatives to arrange for dinners, receptions, and other types of hospitality for visiting officials from this Department. In accordance with international practice, officials of the Department are expected to extend similar courtesies to representatives of foreign governments when they visit the United States. Extension of courtesies of this nature helps to establish conditions which permit the most effective working relationships, and is essential to the successful accomplishment of the objectives of the Department's foreign agricultural work. Expenses under this provision would be authorized by the Secretary or Acting Secretary, the Assistant Secretary for Marketing and Foreign Agriculture, and the Administrator, Foreign Agricultural Service. The Department has authority for payment of representation allowances overseas but there is no authority for the payment of such expenses in the United States.

FARMERS' HOME ADMINISTRATION

Section 9 (a)

*Allocation of farm-ownership loans to States*

The appropriation act provides that not to exceed $5 million of the loan authorization for farm ownership loans may be distributed to States without regard to farm population and prevalence of tenancy, for loans in reclamation projects and to entrymen on unpatented public land.

This provision is subject to a point of order since it varies the statutory formula for the distribution of farm ownership loans to States. Basic law (7 U. S. C. 1004) requires that the distribution of such loans be based on farm population and the prevalence of tenancy in each State, except that there may be distributed to each State such amounts as are necessary to meet the needs of veterans.

The provision in the appropriation act was inserted at the request of the Department in 1951. Progress on reclamation projects in the Western States had reached a point where opportunities for settlement were becoming available in large numbers, and a revision of the statutory requirements, which made it possible for more farmers to qualify for loans, resulted in an increased need for loan funds in those States. The need for loan funds exceeded the amount that could be met under the statutory formula for the distribution of such funds by States.

The bill proposes to incorporate in permanent law the provision which would authorize the distribution of funds, in addition to the amount otherwise distributed, for loans in reclamation projects and to entrymen on unpatented public lands in such amounts as may be provided in applicable appropriations.

### Section 9 (b)

*Single account for FHA administrative funds*

The appropriation act authorizes, in the interest of simplifying operations, the transfer of specific amounts from the farm tenant mortgage insurance fund to the appropriation for salaries and expenses of the Farmers' Home Administration to cover part of the cost of administering insured loans. This provision is subject to a point of order since it makes the funds so transferred (which by basic law are available only for expenses in connection with the mortgage insurance program) available for expenses in connection with all programs administered under the appropriation "Salaries and expenses, Farmers' Home Administration."

The bill proposes to amend the Bankhead-Jones Farm Tenant Act to provide that funds for administrative expenses of the Farmers' Home Administration may be placed in a single account when authorized by appropriation or other law.

Similar authority is included in section 1 (g) of H. R. 11544, as passed by the House. If that section becomes law, section 9 (b) could be eliminated from this bill.

## FEDERAL CROP INSURANCE CORPORATION

### Section 10

*Definition of administrative expenses and payment from premium income*

The appropriation act provides that direct costs of loss adjusters for crop inspections and loss adjustments may be considered as nonadministrative or nonoperating expenses. It also provides that a specific portion of the administrative expenses of the Corporation may be paid from premium income. These items are subject to points of order because (1) the Federal Crop Insurance Act, as amended, does not include direct cost of loss adjusters as one of the items which may be considered as nonadministrative or nonoperating expenses, and (2) the appropriation act authorizes the payment of a portion of administrative expenses from premium income, which by basic statute may be used only to cover losses and to create a reserve.

Direct costs of loss adjustments are generally considered by commercial insurance companies to be nonadministrative expenses and are usually paid from premium income. The proposal to use a portion of premium income for administrative expenses is desirable in order to have sufficient flexibility in funds needed to cover sales costs. The cost of new sales is extremely variable since it is difficult to estimate in advance just what the volume of business will be. Thus, the proposed section would provide the needed flexibility and permit more effective operations.

The bill would amend the basic law to include the direct costs of loss adjusters in the definition of nonadministrative expenses and to permit the use of premium income for administrative expenses within limits prescribed in applicable appropriations, and thereby overcome the point of order questions.

ACQUISITION OF LAND

Section 11 (a)

*Authorization to acquire land*

The 1957 appropriation act includes language which would authorize the acquisition, by donation or exchange, of necessary land by the Agricultural Research Service. This was inserted in order to provide for acquisition of land for a new research laboratory at Winter Haven, Fla., and for the national seed storage facility. Most of the agencies of the Department do not have basic authority for the acquisition of land required from time to time in the conduct of their programs. The major exceptions are the Forest Service and Soil Conservation Service for which certain authority now exists in substantive law. The Department did have statutory authority in the Research and Marketing Act of 1946 to acquire land, but the authority was inadvertently eliminated in the recent revision of the Hatch Act approved August 11, 1955.

The bill would permit, in those cases where authority does not now exist, the acquisition of land, or interest therein by purchase, exchange, or otherwise, as may be necessary to carry out the authorized work of the Department, with the requirement that no acquisition may be made under this authority unless provision is made therefor in the applicable appropriation or other law. The proposed section would not affect in any way existing authorities for the acquisition of land.

Section 11 (b)

*Payments for options to purchase land*

For many years the appropriation act has included authorization to pay not to exceed $1 for each option to purchase any particular tract or tracts of land. This item is subject to point of order since authority to purchase land does not authorize payment of money for a mere option to purchase such property. Revised Statute 3648 provides that before payment for property can be made, ownership of such property must vest in the United States.

The taking of an option by the Department to purchase a tract of land, for example, by the Forest Service for the national forests or by other agencies to build a laboratory, occasionally requires that a nominal sum be stipulated in consideration in order that the option will be legally binding. The Comptroller General has held that funds are not available for the cost of options, in the absence of specific statutory authority. As a general rule, expenditures are not made when options are taken. Since the amount involved does not exceed $1 the claimant, by custom, does not demand payment. However, the effect of the option is to technically commit the Government to the expenditure of the dollar, and unless specific authority exists for the expenditure the option is not enforcible.

It is proposed to overcome the point of order by including in the bill a provision that would permit the use of appropriations available for purchase of land to pay for options to purchase, with a proviso that not to exceed $1 may be expended for each option to purchase any particular tract or tracts of land unless otherwise provided in the appropriation or other law.

AGRICULTURAL MARKETING SERVICE

Section 12

*Travel expenses of personnel engaged in inspection, classing, and grading of agricultural commodities*

The bill would authorize payment of travel expenses of persons appointed for temporary or seasonal services in inspection, classing, and grading of agricultural commodities. Authority for the payment of travel expenses of such employees for travel between places of recruitment and duty, and while at places of duty, is needed in order to continue to provide effective inspection, grading, and classing services. These activities require the services of persons trained in this particular work and who are available for service on a seasonal or temporary basis. To meet seasonal or other peak needs for this service, employees must frequently be recruited at distant points. Because of distances involved and the short duration of employment, many refuse employment if forced to pay their own travel expenses in traveling to their place of employment

and in returning home when their assignment has been completed. This problem is particularly acute in providing cotton classing during the heavy marketing season which, in acocrdance with congressional directives, must be provided on a seasonal basis.

Although such expenses are now being paid in connection with cotton classing and tobacco inspection, the authority for continuation of this practice needs to be clarified. The problem has been presented to and reviewed by the General Accounting Office, which has informally requested the Department to seek specific legislaive authority affective in the fiscal year 1957.

Section 14

*Working-capital fund, Forest Service*

The bill includes a provision which would establish a working-capital fund for furnishing supply and equipment services in support of programs of the Forest Service. The language is the same as that included in the 1957 budget. In the act making appropriations for the Department of the Interior and related agencies for the fiscal year 1957 (in which the appropriations for Forest Service are included), this item was eliminated. The House Committee on Appropriations, in its report (H. Rept. 1772, p. 11), stated that the matter should be first considered by the proper legislative committee.

*Need for working-capital fund*

There is a definite need within the Forest Service for such a fund to provide a practicable method of financing and accounting for the various service operations that are necessary to serve concurrently the programs of fire portection, timber utilization, construction and maintenance of roads and other improvements, reforestation, grazing, watershed, forest and forest products research, and kindred conservation activities of the Forest Service, including cooperative assistance with other Federal agencies, States, counties, farmers, forest land owners and others engaged in the same objectives.

These programs are conducted on 188 million acres of public lands and 431 million acres of State and privately owned lands located throughout the United States, Alaska, Puerto Rico, and Hawaii. They are conducted through 10 regional offices, 9 experiment statitons, and approximately 149 national forests, 758 ranger districts, 101 land-utilization areas, 63 research centers, 85 experimental areas and the Forest Products Laboratory in Madison, Wis.

*Types of services furnished to programs*

In operating these programs, stocks of supplies, materials, and motorized and other program equipment of various kinds and sizes are needed at field locations, not only to serve regular needs but also to be available for emergency dispatch in case of fire, flood, and other critical situations. Further, certain fire fighting and other specialized program equipment is not readily available from other Government sources or commercial markets, and generally must be specially ordered and stocked. For these reasons it is uneconomical or impractical to await the actual need before action is taken toward procurement. Experience over the years in the Forest Service points up the necessity of maintaining sources of supplies, equipment, and service facilities at the regional and local level in order to most efficiently meet the needs of field programs in which the Forest Service is engaged. Since the supplies and materials are used by numerous Forest Service Programs, it is more practicable and economical to carry only one central stock at given field locations for the common use of all programs. This applies also to motorized and other program equipment which is available at field locations for the common use of all programs in the local area.

Certain other services, principally the operation of photographic and reproduction facilities; the making, reconditioning, and maintenance of road, trail, and other signs; and other similar operations are common to and conducted for the benefit of all Forest Service work programs.

*Present method of financing service operations*

Most of the services are now financed initially from one appropriation. Since the "Salaries and expenses" appropriation is available for general purposes, this appropriation has been arbitrarily selected to finance the supply and equipment services which comprise the major portion of the service operations. This is an annual appropriation and balances in it are not available for obligation beyond the end of the fiscal year. Furthermore, using an appropriation for financing these services complicates the recording and reporting on the status of appropriated funds because of the large amount of reimbursements which are credited

to the appropriation. This complicates budgeting and also causes confusion in the current financing of regular programs. For example, when supplies are issued to Forest Service programs from stock, the cost may be charged to 10 or more appropriations benefited and the above annual appropriation is credited. However, it may be desirable to defer replacement of stocks to a later date, in many instances in the ensuing fiscal year, to take advantage of quantity purchases and seasonal declines in market prices. The use of the annual appropriation to finance the supply service makes it necessary to replace the stock in the same fiscal year in which issued.

Another example relates to the motorized and heavy equipment service which is also financed through the "Salaries and expenses" annual appropriation. The equipment is used on work programs which may involve 10 or more appropriations and funds. In financing the equipment service, the appropriations and funds benefited are charged (at rates per unit of use to cover the cost of operating, repairing, and replacing the equipment) and the above annual appropriation is credited. In many cases major repairs or overhauls of the equipment do not take place in the fiscal year in which the equipment was used because of conditions directly or indirectly attributable to unseasonable weather, including forest fires, floods, and heavy snows. These conditions may require repair or overhaul work to be deferred to a subsequent fiscal year, but since the service is financed from an annual appropriation the amounts recovered from the application of use rates are not available in the subsequent year.

*Proposed method of financing service operations*

The operation of the above services under a working capital fund would permit expenditures in connection with the designated services to be paid from a single fund, without fiscal year limitation, regardless of the programs ultimately charged. It would also provide a means of accumulating amounts to cover the cost of repairing and replacing equipment and restocking of supplies in an ensuing fiscal year which is not possible under the present procedure of financing from an annual appropriation. It will permit purchases to be made in quantity and under the most advantageous market conditions which is a keystone of economical procurement. The working capital fund would also eliminate the budgetary complications and other difficulties now encountered in the appropriation which it is now necessary to use for financing the service operations. A working capital fund would make it possible to operate the services in a more efficient and businesslike manner.

The working capital fund method has been in use by the Department of Agriculture for a number of years in financing centralized services. One such fund, approved July 12, 1943 (57 Stat. 393), is in the Office of the Secretary, and the other, approved September 6, 1950 (64 Stat. 658), is operated by the Agricultural Research Center. The use of these funds has demonstrated the value of this businesslike method of financing and conducting reimbursable services in an efficient and economical manner.

*Detailed explanation of provisions of section*

The proposed provision would establish a working capital fund for financing the various service operations, such as those mentioned above, that are required in conducting authorized programs of the Forest Service. Under it the Secretary would provide capital for the fund by transferring and capitalizing, at fair and reasonable values, present inventories of supplies and equipment, receivables and other assets as are related to the operation of the services. The receivables would represent services rendered under current practices for which payment had not been made by appropriations benefited and would initially provide operating funds for the payment of expenses. Operating funds may also be provided, if necessary, by advance payments from the appropriations and funds to cover the estimated cost of services or supplies ordered. Any advance payments in excess of the charges for such services or supplies will be returned to the applicable appropriations or funds. The fund will assume any liabilities in connection with assets transferred to the fund, including accrued annual leave. In view of this method of providing capital, the proposed language does not involve a request for funds to be appropriated.

The buildings to be transferred to the fund are small low-cost shop and other buildings located at or near sites of work, such as those used to repair and store motor vehicles and other heavy equipment and for storage of operating supplies used on work projects. Land used in connection with these services will not be capitalized since in many cases the land is public domain or in other cases the

land is used only partly by services operated under the fund. Unobligated balances of appropriations and funds will not be transferred to the fund.

Provision is made for a maximum capitalization of $25 million. The estimated value of the assets initially to be transferred to the fund are: receivables $1,250,000, and supplies, equipment, and buildings $17,250,000. The liabilities to be assumed by the fund, including accrued annual leave, will probably not exceed $500,000, resulting in an estimated initial capital of $18 million. A margin is provided for possible expansion of programs and emergencies.

In the past, fluctuations and emergencies of major proportions were the Civilian Conservation Corps program, the fire hazard reduction and timber salvage program in the New England States resulting from the hurricane of 1938, the Shelterbelt project, and the emergency rubber project of World War II. The management of such emergency programs demands rapid, large-scale, and effective expansion of needed services at the outset. The greatest potential threat to maximum accomplishment in such emergencies is inadequacies in the supply, equipment, and other services which may be needed. In view of the possible recurrence of such emergencies and other unforseeable developments, including those occasioned by authorized expansion of normal work programs, it is essential that the capitalization of the fund is flexible to permit timely expansion.

The services financed by the fund may also be made available, when necessary to other departmental and Federal agencies, and as provided by law to State and private agencies and persons who cooperate with the Forest Service in fire control and other authorized programs. In order that the fund may be maintained on a self-supporting but nonprofit basis the payment for the services will be at rates which will approximately equal the cost of furnishing the facilities and services, including depreciation of equipment, certain buildings, and other improvements; alterations, maintenance and repair of all buildings and other improvements used in furnishing the services; maintenance and repairs of equipment and accrued leave. For example, in operating the motor vehicle and heavy equipment service which includes pickups, stakeside and dump trucks, sedans, crawler-type tractors and motor graders, the appropriation would be charged at rental rates approximately equal to the actual or estimated cost of operation, repair, maintenance, management, and depreciation of the equipment.

The fund will be credited with any proceeds from the disposition of property. Amounts received in connection with loss of or damage to property would also be credited to the fund so as to be available for replacement or to defray the cost of repairing the property in event of damage.

When the fund has property which it no longer needs to carry out its responsibilities, such property will be reassigned, transferred, or otherwise disposed of in accordance with the regulations of the General Services Administration and regulations of the Department of Agriculture issued pursuant thereto.

In addition to the review and audit of the fund by the Comptroller General, it is contemplated that the status of the fund will be made known to the Bureau of the Budget and to the Congress through required reports and business-type budget statements.

The establishment of the working capital fund would permit the foregoing services to be operated in a more efficient and businesslike manner.

Mr. POAGE. Any further questions?

If not, we are very much obliged to you, Mr. Roberts, and your staff in making the presentation.

Mr. ROBERTS. Thank you very much.

Mr. POAGE. Are there any other witnesses to be heard on this bill? Does one of the authors want to express something?

The CHAIRMAN. I think we should expedite the reporting and passage of the bill. I am not trying to prejudge the situation but I know that if we are going to pass it we should get it out as quickly as possible, so that the administration can go forward with it.

There is one item in there about travel. You can't do anything about that until we give you authority.

Mr. ROBERTS. We are doing it now but we are violating the law.

The CHAIRMAN. You are not doing it now, not all of it.

Mr. ROBERT. We are doing it for one type of expense; not for the other.

The CHAIRMAN. That is correct.

Mr. ROBERTS. But even for what we are now doing, the General Accounting Office feels we should get a clarification in our basic law.

The CHAIRMAN. That is why I say it is important to get the items reported and enacted into legislation.

Mr. ROBERTS. Yes.

(Discussion off the record.)

Mr. POAGE. Is there anything further? If not, we are then adjourned.

(Whereupon, at 11 : 50 a. m., the committee adjourned.)

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# S. 3991

# A BILL

84TH CONGRESS
2D SESSION

# S. 3991

IN THE SENATE OF THE UNITED STATES

JUNE 4, 1956

Mr. ELLENDER (by request) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

# A BILL

To facilitate the control and eradication of certain animal diseases, to facilitate the carrying out of agricultural and related programs, to facilitate the agricultural attaché program, to facilitate the operations of the Farmers' Home Administration, the Federal Crop Insurance Corporation, and the Forest Service, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Department of Agriculture Organic Act of 1956".

SEC. 2. Section 11 of the Act of May 29, 1884, as added by the Act of September 21, 1944 (21 U. S. C. 114a), and as amended, is hereby further amended to read as follows:

"SEC. 11. The Secretary of Agriculture, either independently or in cooperation with States or political subdivisions thereof, farmers' associations and similar organizations, and individuals, is authorized to control and eradicate tuberculosis and paratuberculosis of animals, avian tuberculosis, brucellosis of domestic animals, southern cattle ticks, hog cholera and related swine diseases, scabies in sheep and cattle, dourine in horses, scrapie and blue tongue in sheep, incipient or potentially serious minor outbreaks of diseases of animals, and contagious or infectious diseases of animals (such as foot-and-mouth disease, rinderpest, and contagious pleuropneumonia) which in the opinion of the Secretary constitute an emergency and threaten the livestock industry of the country, including the payment of claims growing out of destruction of animals (including poultry), and of materials, affected by or exposed to any such disease, in accordance with such regulations as the Secretary may prescribe. As used in this section, the term 'State' includes the District of Columbia and the Territories and possessions of the United States."

SEC. 3. Section 2 of the Act of February 28, 1947 (21 U. S. C. 114c) is hereby amended by inserting, immediately following the word "Act" where it first appears therein the following: "and section 11 of the Act of May 29, 1884, as added by the Act of September 21, 1944 insofar as said

Act relates to diseases which in the opinion of the Secretary constitute an emergency and threaten the livestock industry of the country".

SEC. 4. Funds available for carrying out the activities of the Department of Agriculture shall be available for expenses of advisory committees, including travel expenses in accordance with the provisions of section 5 of the Administrative Expenses Act of 1946, as amended.

SEC. 5. The Department of Agriculture is authorized to furnish subsistence to employees without consideration as, or deduction from, the compensation of such employees where warranted by emergency conditions connected with the work under such regulations as the Secretary of Agriculture may prescribe.

SEC. 6. (a) Section 14 of the Soil Conservation and Domestic Allotment Act (as added by the Act of February 29, 1936 (16 U. S. C. 590n)), is amended by adding at the end thereof the following: "Payments to claimants under sections 7 to 17, inclusive, of this Act may be made upon the certificate of the claimant, which certificate shall be in such form as the Secretary of Agriculture may prescribe, that he has carried out the conservation practice or practices and has complied with all other requirements as conditions for such payments and that the statements and information contained in the application for payment are

correct and true, to the best of his knowledge and belief, under the penalties of title 18, United States Code."

(b) Payments or grants under sections 7 to 17 of the Soil Conservation and Domestic Allotment Act, as amended, may be conditioned upon the utilization of land with respect to which such payments or grants are to be made in conformity with farming practices which will encourage and provide for soil-building and soil- and water-conserving practices in the most practical and effective manner and adapted to conditions in the several States, as determined and approved by the State committees appointed pursuant to section 8 (b) of such Act, for the respective States.

(c) Section 11 of the Soil Conservation and Domestic Allotment Act, as amended (16 U. S. C. 590k), is amended to read as follows:

"SEC. 11. All funds available for carrying out this Act shall be available for allotment to the bureaus and offices of the Department of Agriculture and for transfer to such other agencies of the Federal or State Governments, or to local public agencies, as the Secretary may request to cooperate or assist in carrying out this Act, and for payments to committees or associations of producers in any region or regions to cover the estimated administrative expenses to be incurred by any such committee or association in cooperating in carrying out this Act: *Provided,* That the Sec-

retary may prescribe that all or part of such estimated expenses of any such committee or association may be deducted pro rata from the payments or grants made to the members thereof: *Provided further,* That the Secretary may make such payments in advance of determination of performance: *Provided further,* That the transfer of funds for services of technicians in formulating and carrying out agricultural conservation programs, from allotments for agricultural conservation payments within a State, shall be subject to such limitations and conditions as may be provided in appropriation or other law. Funds so transferred may be placed in a single account for each State."

SEC. 7. Section 392 (b) of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 139 (b)), is amended by changing the period at the end of the first sentence to a comma and adding the words "unless otherwise provided by appropriation or other law." and by changing the period at the end of the second sentence to a comma and adding the words "unless otherwise provided by appropriation or other law.".

SEC. 8. Section 606 of title VI of the Agricultural Act of 1954 (7 U. S. C. 1766) is amended by adding at the end thereof the following: "Funds available for the purposes of this Act may be used for extending courtesies to

representatives of foreign countries, when so provided in appropriation or other law."

SEC. 9. (a) Section 4 of the Act of July 22, 1937, as amended (7 U. S. C. 1004), is hereby amended by inserting before the period at the end thereof the following: ": *Provided further,* That there may be distributed to States and Territories such amounts as may be provided in applicable appropriations, in addition to the amount otherwise distributed thereto, for loans in reclamation projects and to entrymen on unpatented public lands".

(b) When authorized by appropriation or other law, funds of the Farmers' Home Administration available for administrative expenses may be placed in a single account.

SEC. 10. Section 516 (a) of the Federal Crop Insurance Act, as amended (7 U. S. C. 1516 (a)), is amended to read as follows:

"(a) There are hereby authorized to be appropriated such sums, not in excess of $12,000,000 for each fiscal year beginning after June 30, 1938, as may be necessary to cover the operating and administrative costs of the Corporation, which shall be allotted to the Corporation in such amounts and at such time or times as the Secretary of Agriculture may determine: *Provided,* That expenses in connection with the purchase, transportation, handling, or sale of the agricultural commodity and the direct cost of loss ad-

justers for crop inspections and loss adjustments may be considered by the Corporation as being nonadministrative or nonoperating expenses. The Corporation is authorized to use premium income for administrative and operating costs within limits prescribed in applicable appropriations."

SEC. 11. (a) The Department of Agriculture is authorized to acquire land, or interest therein, by purchase, exchange or otherwise, as may be necessary to carry out its authorized work: *Provided,* That no acquisition shall be made under this authority unless provision is made therefor in the applicable appropriation or other law.

(b) Appropriations for the Department of Agriculture which are available for the purchase of land may be expended for options to purchase land: *Provided,* That not to exceed $1.00 may be expended for each option to purchase any particular tract or tracts of land unless otherwise provided in appropriation or other law.

SEC. 12. Under such regulations as may be prescribed by the Secretary of Agriculture, funds available to the Department of Agriculture may be used for the payment of transportation expenses and per diem in lieu of subsistence expenses, in accordance with the Travel Expense Act of 1949, for travel between places of recruitment and duty, and while at places of duty, of persons appointed for tem-

porary or seasonal services in inspection, classing or grading agricultural commodities.

SEC. 14. There is hereby established a working capital fund which shall be available without fiscal year limitation for expenses necessary, including the purchase or construction of buildings and improvements within the limitations thereon set forth in the appropriations for the Forest Service, for furnishing supply and equipment services in support of programs of the Forest Service. The Secretary of Agriculture is authorized to transfer to the fund, without reimbursement, and to capitalize in the fund at fair and reasonable values, such receivables, inventories, equipment, and other assets as he may determine, and assume the liabilities in connection with such assets, but such capitalization shall not exceed $25,000,000: *Provided,* That the fund shall be credited with advance payments in connection with firm orders and reimbursements from appropriations and funds of the Forest Service, other departmental and Federal agencies, and from other sources, as authorized by law, at rates approximately equal to the cost of furnishing the facilities and service.

84TH CONGRESS
2D SESSION

# S. 3991

# A BILL

To facilitate the control and eradication of certain animal diseases, to facilitate the carrying out of agricultural conservation and related agricultural programs, to facilitate the agricultural attaché program, to facilitate the operations of the Farmers' Home Administration, the Federal Crop Insurance Corporation and the Forest Service, and for other purposes.

By Mr. ELLENDER

JUNE 4, 1956

**Read twice and referred to the Committee on Agriculture and Forestry**

# H. R. 11682

## A BILL

S. 3991

# A BILL

84TH CONGRESS
2D SESSION

# H. R. 11682

IN THE HOUSE OF REPRESENTATIVES

JUNE 8, 1956

Mr. COOLEY introduced the following bill; which was referred to the Committee on Agriculture

# A BILL

To facilitate the control and eradication of certain animal diseases, to facilitate the carrying out of agricultural and related programs, to facilitate the agricultural attaché program, to facilitate the operations of the Farmers' Home Administration, the Federal Crop Insurance Corporation, and the Forest Service, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Department of Agriculture Organic Act of 1956".

SEC. 2. Section 11 of the Act of May 29, 1884, as added by the Act of September 21, 1944 (21 U. S. C. 114a), and as amended, is hereby further amended to read as follows:

"SEC. 11. The Secretary of Agriculture, either independently or in cooperation with States or political subdivisions thereof, farmers' associations and similar organizations, and individuals, is authorized to control and eradicate tuberculosis and paratuberculosis of animals, avian tuberculosis, brucellosis of domestic animals, southern cattle ticks, hog cholera and related swine diseases, scabies in sheep and cattle, dourine in horses, scrapie and blue tongue in sheep, incipient or potentially serious minor outbreaks of diseases of animals, and contagious or infectious diseases of animals (such as foot-and-mouth disease, rinderpest, and contagious pleuropneumonia) which in the opinion of the Secretary constitute an emergency and threaten the livestock industry of the country, including the payment of claims growing out of destruction of animals (including poultry), and of materials, affected by or exposed to any such disease, in accordance with such regulations as the Secretary may prescribe. As used in this section, the term 'State' includes the District of Columbia and the Territories and possessions of the United States."

SEC. 3. Section 2 of the Act of February 28, 1947 (21 U. S. C. 114c) is hereby amended by inserting, immediately following the word "Act" where it first appears therein the following: "and section 11 of the Act of May 29, 1884, as added by the Act of September 21, 1944, insofar as said

Act relates to diseases which in the opinion of the Secretary constitute an emergency and threaten the livestock industry of the country".

SEC. 4. Funds available for carrying out the activities of the Department of Agriculture shall be available for expenses of advisory committees, including travel expenses in accordance with the provisions of section 5 of the Administrative Expenses Act of 1946, as amended.

SEC. 5. The Department of Agriculture is authorized to furnish subsistence to employees without consideration as, or deduction from, the compensation of such employees where warranted by emergency conditions connected with the work under such regulations as the Secretary of Agriculture may prescribe.

SEC. 6. (a) Section 14 of the Soil Conservation and Domestic Allotment Act (as added by the Act of February 29, 1936 (16 U. S. C. 590n)), is amended by adding at the end thereof the following: "Payments to claimants under sections 7 to 17, inclusive, of this Act may be made upon the certificate of the claimant, which certificate shall be in such form as the Secretary of Agriculture may prescribe, that he has carried out the conservation practice or practices and has complied with all other requirements as conditions for such payments and that the statements and information contained in the application for payment are

correct and true, to the best of his knowledge and belief, under the penalties of title 18, United States Code."

(b) Payments or grants under sections 7 to 17 of the Soil Conservation and Domestic Allotment Act, as amended, may be conditioned upon the utilization of land with respect to which such payments or grants are to be made in conformity with farming practices which will encourage and provide for soil-building and soil- and water-conserving practices in the most practical and effective manner and adapted to conditions in the several States, as determined and approved by the State committees appointed pursuant to section 8 (b) of such Act, for the respective States.

(c) Section 11 of the Soil Conservation and Domestic Allotment Act, as amended (16 U. S. C. 590k), is amended to read as follows:

"SEC. 11. All funds available for carrying out this Act shall be available for allotment to the bureaus and offices of the Department of Agriculture and for transfer to such other agencies of the Federal or State Governments, or to local public agencies, as the Secretary may request to cooperate or assist in carrying out this Act, and for payments to committees or associations of producers in any region or regions to cover the estimated administrative expenses to be incurred by any such committee or association in cooperating in carrying out this Act: *Provided*, That the Sec-

retary may prescribe that all or part of such estimated expenses of any such committee or association may be deducted pro rata from the payments or grants made to the members thereof: *Provided further,* That the Secretary may make such payments in advance of determination of performance: *Provided further,* That the transfer of funds for services of technicians in formulating and carrying out agricultural conservation programs, from allotments for agricultural conservation payments within a State, shall be subject to such limitations and conditions as may be provided in appropriation or other law. Funds so transferred may be placed in a single account for each State."

SEC. 7. Section 392 (b) of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 139 (b)), is amended by changing the period at the end of the first sentence to a comma and adding the words "unless otherwise provided by appropriation or other law." and by changing the period at the end of the second sentence to a comma and adding the words "unless otherwise provided by appropriation or other law.".

SEC. 8. Section 606 of title VI of the Agricultural Act of 1954 (7 U. S. C. 1766) is amended by adding at the end thereof the following: "Funds available for the purposes of this Act may be used for extending courtesies to

representatives of foreign countries, when so provided in appropriation or other law."

SEC. 9. (a) Section 4 of the Act of July 22, 1937, as amended (7 U. S. C. 1004), is hereby amended by inserting before the period at the end thereof the following: ": *Provided further*, That there may be distributed to States and Territories such amounts as may be provided in applicable appropriations, in addition to the amount otherwise distributed thereto, for loans in reclamation projects and to entrymen on unpatented public lands".

(b) When authorized by appropriation or other law, funds of the Farmers' Home Administration available for administrative expenses may be placed in a single account.

SEC. 10. Section 516 (a) of the Federal Crop Insurance Act, as amended (7 U. S. C. 1516 (a)), is amended to read as follows:

"(a) There are hereby authorized to be appropriated such sums, not in excess of $12,000,000 for each fiscal year beginning after June 30, 1938, as may be necessary to cover the operating and administrative costs of the Corporation, which shall be allotted to the Corporation in such amounts and at such time or times as the Secretary of Agriculture may determine: *Provided*, That expenses in connection with the purchase, transportation, handling, or sale of the agricultural commodity and the direct cost of loss ad-

justers for crop inspections and loss adjustments may be considered by the Corporation as being nonadministrative or nonoperating expenses. The Corporation is authorized to use premium income for administrative and operating costs within limits prescribed in applicable appropriations."

SEC. 11. (a) The Department of Agriculture is authorized to acquire land, or interest therein, by purchase, exchange or otherwise, as may be necessary to carry out its authorized work: *Provided,* That no acquisition shall be made under this authority unless provision is made therefor in the applicable appropriation or other law.

(b) Appropriations for the Department of Agriculture which are available for the purchase of land may be expended for options to purchase land: *Provided,* That not to exceed $1 may be expended for each option to purchase any particular tract or tracts of land unless otherwise provided in appropriation or other law.

SEC. 12. Under such regulations as may be prescribed by the Secretary of Agriculture, funds available to the Department of Agriculture may be used for the payment of transportation expenses and per diem in lieu of subsistence expenses, in accordance with the Travel Expense Act of 1949, for travel between places of recruitment and duty, and while at places of duty, of persons appointed for tem-

porary or seasonal services in inspection, classing or grading agricultural commodities.

SEC. 14. There is hereby established a working capital fund which shall be available without fiscal year limitation for expenses necessary, including the purchase or construction of buildings and improvements within the limitations thereon set forth in the appropriations for the Forest Service, for furnishing supply and equipment services in support of programs of the Forest Service. The Secretary of Agriculture is authorized to transfer to the fund, without reimbursement, and to capitalize in the fund at fair and reasonable values, such receivables, inventories, equipment, and other assets as he may determine, and assume the liabilities in connection with such assets, but such capitalization shall not exceed $25,000,000: *Provided*, That the fund shall be credited with advance payments in connection with firm orders and reimbursements from appropriations and funds of the Forest Service, other departmental and Federal agencies, and from other sources, as authorized by law, at rates approximately equal to the cost of furnishing the facilities and service.

84TH CONGRESS
2D SESSION

# H. R. 11682

## A BILL

To facilitate the control and eradication of certain animal diseases, to facilitate the carrying out of agricultural and related programs, to facilitate the agricultural attaché program, to facilitate the operations of the Farmers' Home Administration, the Federal Crop Insurance Corporation, and the Forest Service, and for other purposes.

By Mr. COOLEY

JUNE 8, 1956
Referred to the Committee on Agriculture

# H. R. 11699

# A BILL

84TH CONGRESS
2D SESSION

# H. R. 11699

IN THE HOUSE OF REPRESENTATIVES

JUNE 11, 1956

Mr. HOPE introduced the following bill; which was referred to the Committee on Agriculture

# A BILL

To facilitate the control and eradication of certain animal diseases, to facilitate the carrying out of agricultural conservation and related agricultural programs, to facilitate the agricultural attaché program, to facilitate the operations of the Farmers' Home Administration, the Federal Crop Insurance Corporation, and the Forest Service, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Department of Agriculture Organic Act of 1956".

SEC. 2. Section 11 of the Act of May 29, 1884, as added by the Act of September 21, 1944 (21 U. S. C.

114a), and as amended, is hereby further amended to read as follows:

"SEC. 11. The Secretary of Agriculture, either independently or in cooperation with States or political subdivisions thereof, farmers' associations and similar organizations, and individuals, is authorized to control and eradicate tuberculosis and paratuberculosis of animals, avian tuberculosis, brucellosis of domestic animals, southern cattle ticks, hog cholera and related swine diseases, scabies in sheep and cattle, dourine in horses, scrapie and blue tongue in sheep, incipient or potentially serious minor outbreaks of diseases of animals, and contagious or infectious diseases of animals (such as foot-and-mouth disease, rinderpest, and contagious pleuropneumonia) which in the opinion of the Secretary constitute an emergency and threaten the livestock industry of the country, including the payment of claims growing out of destruction of animals (including poultry), and of materials, affected by or exposed to any such disease, in accordance with such regulations as the Secretary may prescribe. As used in this section, the term 'State' includes the District of Columbia and the Territories and possessions of the United States."

SEC. 3. Section 2 of the Act of February 28, 1947 (21 U. S. C. 114c) is hereby amended by inserting, immediately following the word "Act" where it first appears therein

the following: "and section 11 of the Act of May 29, 1884, as added by the Act of September 21, 1944, insofar as said Act relates to diseases which in the opinion of the Secretary constitute an emergency and threaten the livestock industry of the country".

SEC. 4. Funds available for carrying out the activities of the Department of Agriculture shall be available for expenses of advisory committees, including travel expenses in accordance with the provisions of section 5 of the Administrative Expenses Act of 1946, as amended.

SEC. 5. The Department of Agriculture is authorized to furnish subsistence to employees without consideration as, or deduction from, the compensation of such employees where warranted by emergency conditions connected with the work under such regulations as the Secretary of Agriculture may prescribe.

SEC. 6. (a) Section 14 of the Soil Conservation and Domestic Allotment Act (as added by the Act of February 29, 1936 (16 U. S. C. 590n)), is amended by adding at the end thereof the following: "Payments to claimants under sections 7 to 17 inclusive, of this Act may be made upon the certificate of the claimant, which certificate shall be in such form as the Secretary of Agriculture may prescribe, that he has carried out the conservation practice or practices and has complied with all other requirements as condi-

tions for such payments and that the statements and information contained in the application for payment are correct and true, to the best of his knowledge and belief, under the penalties of title 18, United States Code."

(b) Payments or grants under sections 7 to 17 of the Soil Conservation and Domestic Allotment Act, as amended, may be conditioned upon the utilization of land with respect to which such payments or grants are to be made in conformity with farming practices which will encourage and provide for soil-building and soil- and water-conserving practices in the most practical and effective manner and adapted to conditions in the several States, as determined and approved by the State committees appointed pursuant to section 8 (b) of such Act, for the respective States.

(c) Section 11 of the Soil Conservation and Domestic Allotment Act, as amended (16 U. S. C. 590k), is amended to read as follows:

"SEC. 11. All funds available for carrying out this Act shall be available for allotment to the bureaus and offices of the Department of Agriculture and for transfer to such other agencies of the Federal or State governments, or to local public agencies, as the Secretary may request to cooperate or assist in carrying out this Act, and for payments to committees or associations of producers in any region or regions to cover the estimated administrative expenses to

be incurred by any such committee or association in cooperating in carrying out this Act: *Provided,* That the Secretary may prescribe that all or part of such estimated expenses of any such committee or association may be deducted pro rata from the payments or grants made to the members thereof: *Provided further,* That the Secretary may make such payments in advance of determination of performance: *Provided further,* That the transfer of funds for services of technicians in formulating and carrying out agricultural conservation programs, from allotments for agricultural conservation payments within a State, shall be subject to such limitations and conditions as may be provided in appropriation or other law. Funds so transferred may be placed in a single account for each State."

SEC. 7. Section 392 (b) of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 139 (b)), is amended by changing the period at the end of the first sentence to a comma and adding the words "unless otherwise provided by appropriation or other law." and by changing the period at the end of the second sentence to a comma and adding the words "unless otherwise provided by appropriation or other law.".

SEC. 8. Section 606 of title VI of the Agricultural Act of 1954 (7 U. S. C. 1766) is amended by adding at the

end thereof the following: "Funds available for the purposes of this Act may be used for extending courtesies to representatives of foreign countries, when so provided in appropriation or other law."

SEC. 9. (a) Section 4 of the Act of July 22, 1937, as amended (7 U. S. C. 1004), is hereby amended by inserting before the period at the end thereof the following: ": *Provided further*, That there may be distributed to States and Territories such amounts as may be provided in applicable appropriations, in addition to the amount otherwise distributed thereto, for loans in reclamation projects and to entrymen on unpatented public lands".

(b) When authorized by appropriation or other law, funds of the Farmers' Home Administration available for administrative expenses may be placed in a single account.

SEC. 10. Section 516 (a) of the Federal Crop Insurance Act, as amended (7 U. S. C. 1516 (a)), is amended to read as follows:

"(a) There are hereby authorized to be appropriated such sums, not in excess of $12,000,000 for each fiscal year beginning after June 30, 1938, as may be necessary to cover the operating and administrative costs of the Corporation, which shall be allotted to the Corporation in such amounts and at such time or times as the Secretary of Agriculture may determine: *Provided*, That expenses in connec-

tion with the purchase, transportation, handling, or sale of the agricultural commodity and the direct cost of loss adjusters for crop inspections and loss adjustments may be considered by the Corporation as being nonadministrative or nonoperating expenses. The Corporation is authorized to use premium income for administrative and operating costs within limits prescribed in applicable appropriations."

SEC. 11. (a) The Department of Agriculture is authorized to acquire land, or interest therein, by purchase, exchange or otherwise, as may be necessary to carry out its authorized work: *Provided,* That no acquisition shall be made under this authority unless provision is made therefor in the applicable appropriation or other law.

(b) Appropriations for the Department of Agriculture which are available for the purchase of land may be expended for options to purchase land: *Provided,* That not to exceed $1.00 may be expended for each option to purchase any particular tract or tracts of land unless otherwise provided in appropriation or other law.

SEC. 12. Under such regulations as may be prescribed by the Secretary of Agriculture, funds available to the Department of Agriculture may be used for the payment of transportation expenses and per diem in lieu of subsistence expenses, in accordance with the Travel Expense Act of 1949, for travel between places of recruitment and duty,

and while at places of duty, of persons appointed for temporary or seasonal services in inspection, classing or grading agricultural commodities.

SEC. 14. There is hereby established a working capital fund which shall be available without fiscal year limitation for expenses necessary, including the purchase or construction of buildings and improvements within the limitations thereon set forth in the appropriations for the Forest Service, for furnishing supply and equipment services in support of programs of the Forest Service. The Secretary of Agriculture is authorized to transfer to the fund, without reimbursement, and to capitalize in the fund at fair and reasonable values, such receivables, inventories, equipment, and other assets as he may determine, and assume the liabilities in connection with such assets, but such capitalization shall not exceed $25,000,000: *Provided*, That the fund shall be credited with advance payments in connection with firm orders and reimbursements from appropriations and funds of the Forest Service, other departmental and Federal agencies, and from other sources, as authorized by law, at rates approximately equal to the cost of furnishing the facilities and service.

84TH CONGRESS
2D SESSION

# H. R. 11699

## A BILL

To facilitate the control and eradication of certain animal diseases, to facilitate the carrying out of agricultural conservation and related agricultural programs, to facilitate the agricultural attaché program, to facilitate the operations of the Farmers' Home Administration, the Federal Crop Insurance Corporation, and the Forest Service, and for other purposes.

By Mr. HOPE

JUNE 11, 1956
Referred to the Committee on Agriculture

# H. R. 11699

## A BILL

# Digest of CONGRESSIONAL PROCEEDINGS

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: Senate passed bill to amend Bankhead-Jones Farm Tenant Act. Senate passed Intermediate Credit Banks bill. Senate committee reported area assistance bill. Senate agreed to resolution extending study of employee security program. Senate committee ordered reported water rights settlement bill. House passed supplemental appropriation bill. House Rules Committee cleared Public Law 480 authorization increase bill. Rep. Saylor discussed his bill on wilderness preservation. House committees ordered reported point-of-order bill and flood insurance bill.

## HOUSE

1. APPROPRIATIONS. Passed with amendments H. R. 12138, the supplemental appropriation bill for 1957, having previously defeated a motion to recommit by a vote of 370 to 24. pp. 11350, 11355 (For items of interest to this Department, see Digests No. 113 and 114.)

The Agriculture Committee ordered reported H. R. 11682, to authorize certain point-of-order items now carried in USDA appropriation bills relative to the control and eradication of certain animal diseases, to facilitate the carrying out of agricultural conservation and related agricultural programs, to facilitate the agricultural attache program, and to facilitate the operations of FHA, FCIC, and FS. p. D788

2. FOREIGN TRADE. The Rules Committee reported a resolution for consideration of H. R. 11708, to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, (Public Law 480, 83rd Congress), so as to increase from $1,500,000,000 to $3,000,000,000 the amount for purposes of title I of the Act, to authorize assistance to American-sponsored schools abroad, and to amend the provision against agreements with communist-dominated countries. p. 11397

Passed as reported H. R. 9396, to amend the Tariff Act of 1930, so as to place guar seed on the free list. p. 11398

3. FLOOD INSURANCE. The Banking and Currency Committee ordered reported S. 3732, to provide insurance against flood damage. p. D789

4. RECLAMATION. Agreed to the conference report on S. 1622, to authorize the Secretary of the Interior to make payment for certain improvements located on public lands in the Rapid Valley unit, S. Dak., of the Missouri River Basin project. p. 11404

5. NATURAL RESOURCES. Rep. Saylor spoke in support of his bill H. R. 11703, to establish a National Wilderness Preservation system. p. 11413

6. PERSONNEL. The Foreign Affairs Committee reported with amendment S. 3481, to increase the salaries and provide other benefits for employees in the Foreign Service (H. Rept. 2696). p. 11424

7. ATOMIC ENERGY. The Joint Committee on Atomic Energy reported the following bills p. 11424

H. R. 9743, with amendment, to encourage maximum development of atomic energy reactors for the generation of low-cost electric power, and the production, utilization, and treatment of special nuclear and other materials (H. Rept. 2694).

H. R. 12215, without amendment, to amend the Atomic Energy Act of 1954, as amended (H. Rept. 2695).

SENATE

8. FARM LOANS. Passed with amendments H. R. 11544, to improve and simplify the credit facilities available to farmers, and to amend the Bankhead-Jones Farm Tenant Act. Agreed to an amendment by Sen. Stennis authorizing insurance on loans in amounts not exceeding $15,000 per farm for the construction, improvement, repair, or replacement of farm dwellings and other buildings on farms the operation of which requires no more than 3 farm families or 3 farm dwellings. Rejected an amendment by Sen. Humphrey to authorize loans at a "reasonable" rate of interest, rather than not exceeding 5% per annum as provided in the bill. Substituted the language of S. 3429, a similar bill, for the text of the House bill. Conferees were appointed. pp. 11322, 11326

9. FARM CREDIT. Passed with amendments H. R. 10285, to merge production credit corporations in Federal intermediate credit banks, to provide for retirement of Government capital in Federal intermediate credit banks, and to provide for supervision of production credit associations. Agreed to an amendments by Sen. Barrett providing for the gradual transfer over a 3-year period of the capital funds of the banks involved; and by Sen. Holland to continue Government budgetary supervision over the banks until the farmers had actually bought and paid for 15 percent of the capital stock. p. 11318

10. LIVESTOCK. Sen. Langer inserted a resolution of the N. Dak. Stockmen's Assoc. relating to various aspects of the livestock industry. p. 11238

11. AREA ASSISTANCE. The Labor and Public Welfare Committee reported with amendments S. 2663, to establish an effective program to alleviate conditions of excessive unemployment in certain economically depressed areas (S. Rept. 2555). p. 11241

12. EMPLOYEE SECURITY. Agreed to S. Res. 294, extending further the time for a study of the Government employees security program. p. 11257

# Digest of CONGRESSIONAL PROCEEDINGS

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: House passed bills to: Permit USDA-State-local employee exchanges; authorize acquisition of additional lands in Cache National Forest; approve Middle Atlantic interstate forest fire compact; release certain Tongass Forest receipts from escrow; continue ACP authority; authorize transfer of certain ARS lands in Alaska; extend time for report on Government security program. House received conference report on bill to simplify accounting procedures and facilitate payment of obligations; House committee reported bill to improve budgeting and accounting methods. House agreed to Senate amendments to bill to merge intermediate credit banks and production credit associations. House received President's veto message on military construction measure; House committee reported bill to include cranberries for canning and freezing in Marketing Agreements Act. House committee reported bill to require conformance with State game laws on certain Federal lands. House committee reported USDA point-of-order bill. Sen. Ellender introduced bill to imple-
(continued on page 7)

## HOUSE

1. APPROPRIATIONS. The Agriculture Committee reported with amendment H. R. 11682, to facilitate the control and eradication of certain animal diseases, to facilitate the carrying out of agricultural and related programs, to facilitate the agricultural attache program, and to facilitate the operations of FHA, FCIC, and FS (H. Rept. 2732). p. 11795

2. PERSONNEL. Passed as reported S. 1915, to permit the exchange of employees of this Department and employees of State political subdivisions or educational institutions for a period not to exceed 2 years in duration. p. 11720

3. FORESTRY. Passed as reported H. R. 8898, to authorize the purchase of additional lands within the Cache National Forest, Utah. p. 11721

Passed without amendment S. 3032, to approve the Middle Atlantic Interstate Forest Fire Compact. This bill is now ready for the President. p.11726

Passed without amendment S. 2517, to provide for the release of certain Tongass National Forest timber receipts from escrow. This bill is now ready for the President. p. 11731

4. SOIL CONSERVATION. Passed without amendment S. 3120, to further extend the period of Federal administration of the ACP program from Jan. 1, 1957 to Jan. 1, 1959. This bill is ready for the President. A similar bill, H. R. 8321, was laid on the table. p. 11731

5. LAND TRANSFER. Passed without amendment S. 3344, to authorize the transfer of the Baranof Castle site (former research land) to the city of Sitka, Alaska. This bill is now ready for the President. A similar bill, H. R. 9678, was laid on the table. p. 11731

6. GOVERNMENT SECURITY. Passed without amendment S. J. Res. 182, to extend (until June 30, 1957) the time limit for the filing of a final report of the Commission on Government Security. This measure is now ready for the President. A similar measure, H. J. Res. 655, was laid on the table. p. 11733

7. ACCOUNTING. Received the conference report on H. R. 9593, to simplify accounting methods and facilitate the payment of obligations (H. Rept. 2726). p. 11786

The Government Operations Committee reported with amendment H. R. 11526, to improve governmental budgeting and accounting methods and procedures (H. Rept. 2734). p. 11795

8. FARM CREDIT. Agreed to the Senate amendments to H. R. 10285, to merge production credit corporations in Federal intermediate credit banks, to provide for retirement of Government capital in Federal intermediate credit banks, and to provide for supervision of production credit associations. This bill is now ready for the President. p. 11787

9. MARKETING. The Agriculture Committee reported without amendment H. R. 8384, to extend the provisions of the Agricultural Marketing Agreement Act of 1937, to cranberries for canning or freezing processing (H. Rept. 2721). p. 11795

10. WILDLIFE. The Merchant Marine and Fisheries Committee reported with amendment H. R. 8250, to require conformance with State and Territorial fish and game laws and licensing requirements on Federal lands not subject to such laws (H. Rept. 2728). p. 11795

11. MILITARY CONSTRUCTION; SURPLUS COMMODITIES. Received the President's veto message on H. R. 9893, to authorize certain construction at military installations. The bill authorizes the Secretary of Defense to use for family housing in foreign countries, foreign currencies not to exceed $250 million acquired pursant to the provisions of the Agricultural Trade Development and Assistance Act of 1954, or through other commodity transactions of the CCC (H. Doc. 450). p. 11788

12. RECORDS. Passed over, at the request of Rep. Cunningham, S. 2364, to further clarify GSA's jurisdiction over records management. p. 11716

13. TRADE FAIRS. Passed as reported H. J. Res. 604, to authorize the President to invite the various States and foreign countries to participate in the U. S.

84TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 2732

# DEPARTMENT OF AGRICULTURE ORGANIC ACT

JULY 16, 1956.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. COOLEY, from the Committee on Agriculture, submitted the following

## REPORT

[To accompany H. R. 11682]

The Committee on Agriculture, to whom was referred the bill (H. R. 11682) to facilitate the control and eradication of certain animal diseases, to facilitate the carrying out of agricultural an related programs, to facilitate the agricultural attaché program, to facilitate the operations of the Farmers' Home Administration, the Federal Crop Insurance Corporation, and the Forest Service, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill do pass.

The amendments are as follows:

Page 2, line 19, after "District of Columbia" insert ", Puerto Rico,".

Page 8, line 3, strike out the numeral 14 and insert the numeral 13.

### GENERAL STATEMENT

The Organic Act of the Department of Agriculture, enacted May 15, 1862 (sec. 520 Rev. Stat; 5 U. S. C. 511), provides that the general design and duties of the Department of Agriculture shall be to acquire and diffuse among the people useful information on subjects connected with agriculture "in the most general and comprehensive sense of that word." Many of the appropriations for the Department of Agriculture are supported by this organic law. However, from time to time there have been included in the appropriation acts a number of provisions legislative in character, some of which have been substantive and others, perhaps the majority, have been of a facilitating or incidental nature.

In 1944, this committee reviewed the Department of Agriculture Appropriation Act and proposed, and there was enacted into law, the Department of Agriculture Organic Act of 1944 (58 Stat. 734), to pro-

vide basic authority for the provisions concerned. Since that time a number of facilitating provisions important to the effective operation of the Department's programs have been inserted in the annual appropriation acts. Recognizing that these additional legislative provisions may be necessary, the committee has scrutinized the appropriation acts for the Department of Agriculture with a view to providing such permanent legislative authorities as are needed, adopting for this purpose the approach taken when the Department of Agriculture Organic Act of 1944 was enacted. Most of the provisions in the bill H. R. 11682 relate to authorities which appear in the Department of Agriculture and Farm Credit Appropriation Act, 1957, and will provide legislative authority without change for provisions which have appeared in the appropriation act. Three of the items proposed—sections 8, 12, and 13—do not appear in the 1957 Appropriation Act. However, they fall within the general scope of the subject matter of the bill and have therefore been included.

## ANALYSIS OF THE BILL

*Section 1. Short title*

Section 1 provides that the act may be cited as "The Department of Agriculture Organic Act of 1956."

*Section 2. Eradication and control of diseases of animals and poultry*

Existing basic authority (act of May 29, 1884, as amended) provides for payment of claims for the destruction of animals and poultry affected by or exposed to diseases, but makes no provision of payment for the destruction of material affected by or exposed to such diseases. The appropriation act includes authority for the payment of claims growing out of destruction of such materials.

Section 2 of the bill amends the basic 1884 act to authorize payment for such materials. Section 2 also revises slightly the language of section 11 of the 1884 act for editorial clarity.

*Section 3. Extension of facilitating authorities for animal disease eradication activities*

The act of February 28, 1947 (21 U. S. C. 114 b–d), relating to foot-and-mouth eradication and control work in Mexico, provides authority for facilitating such work. The principal authorities involved are: (1) Expenditures for printing and binding at places other than the Government Printing Office, (2) the purchase or hire of passenger motor vehicles and aircraft to meet emergencies without reference to existing limitations, and (3) the construction and operation of research laboratories, quarantine stations, and other buildings and facilities. The appropriation act extends these facilitating authorities to certain animal disease control and eradication activities conducted under section 11 of the act of May 29, 1884, as amended.

Section 3 of the bill amends the 1947 act to make these facilitating authorities available in the conduct of programs relating to diseases which, in the opinion of the Secretary, constitute an emergency and threaten the livestock industry of the country.

*Section 4. Expenses of advisory committees*

Appropriation acts for several years have authorized the Forest Service to pay the travel expenses of advisory councils or similar groups. This provision was inserted in appropriation acts to enable

the Forest Service to pay the expenses of advisory committees or councils which advised the Forest Service on the administration of national forest lands. There is need from time to time for similar authority for other agencies of the Department. Section 4 of the bill provides that funds of the Department shall be available for expenses of advisory committees, including traveling expenses. This section overcomes the provisions of the act of March 4, 1909 (39 U. S. C. 673), prohibiting the payment of expenses of committees.

*Section 5. Subsistence to employees under emergency conditions*

Appropriation acts for several years have authorized the Soil Conservation Service to furnish subsistence to employees without reimbursement or consideration of the value of such subsistence in fixing the employee's salary. This authority in the appropriation acts has been used in the Soil Conservation Service in connection with its snow surveys. Shelters are stocked with foods that may be used in the event that emergency conditions prevent employees from returning to headquarters.

Section 5 of the bill provides basic authority which will enable the Department to furnish subsistence to employees, without deduction from their pay, where warranted by emergency conditions connected with the work, under such regulations as the Secretary may prescribe. This would not change the normal procedures under the act of March 5, 1928 (5 U. S. C. 75a), under which the value of quarters and subsistence furnished employees is deducted from their pay or considered in fixing their compensation.

*Section 6 (a). Payment on certificate of claimant under the agricultural conservation program*

The appropriation acts for many years have included authority for payments to a farmer on his certification that he has carried out the conservation practices and has complied with all other requirements for such payment. This provision varies the procedure prescribed in the certifying officers statute. Section 6 (a) of the bill amends section 14 of the Soil Conservation and Domestic Allotment Act (16 U. S. C. 590n) so as to make this authority permanent legislation.

*Section 6 (b). State committee approval of agricultural conservation practices*

Section 8 (d) of the Soil Conservation and Domestic Allotment Act (16 U. S. C. 590h (d)) provides that agricultural conservation payments shall be conditioned upon utilization of land in conformity with farming practices which the Secretary of Agriculture determines to effectuate any one or more of the purposes set forth in section 7 (a) of the act.

Since 1945, the appropriation acts have provided that the payments shall be conditioned upon the utilization of land in accordance with practices determined and approved by the State committees appointed pursuant to section 8 (b) of the act. Under this provision of the appropriation act, the State committee selects those practices in its State from those provided in the national program as the committee deems to be best adapted to local conditions. Thus the appropriation provision places in the State committees authority placed by substantive law in the Secretary. Section 6 (b) of the bill makes this appropriation provision permanent legislation.

*Section 6(c). Allotments to other agencies for technical services in the agricultural conservation program*

Section 6 (c) of the bill amends section 11 of the Soil Conservation and Domestic Allotment Act to authorize transfer of funds to local public agencies in addition to the transfer to Federal or State agencies as presently authorized. It also provides that transfer of funds for services of technicians in formulating and carrying out agricultural programs from allotments for agricultural conservation payments within the State shall be subject to such limitations and conditions as may be provided in the appropriation or other law. Furthermore, this amendment provides that transferred funds may be placed in a single account for each State. These provisions are intended to make permanent the provisions of the 1957 Appropriation Act and to authorize the insertion in appropriation acts of such limitations and conditions on the transfer of funds for services of technicians as may from time to time be deemed by the Congress to be necessary. At present the appropriation act requires that transfers of funds be made on recommendation of the locally elected county committee and on the approval of the State committee.

*Section 7. Administrative expense limitation for the National and State offices under the agricultural adjustment programs*

Section 7 authorizes appropriations for administrative expenses of National and State offices under section 392 of the Agricultural Adjustment Act of 1938 as may be provided by the appropriation act or other law. In view of the fact that the nature of the programs carried out changes from time to time, it is necessary to provide for more flexibility in the consideration of the budget for these programs. The bill authorizes the Appropriations Committee to report and the Congress to pass such sums as may be necessary. The need for this legislation is demonstrated by the 1957 appropriation for this item which is in excess of the existing percentage limitation specified in the basic law.

*Section 8. Representation allowances*

Section 8 of the bill amends section 606 of title VI of the Agriculture Act of 1954 (7 U. S. C. 1766) relating to agricultural attachés to permit the use of funds available for the purpose of that act to be used for extending courtesies to representatives of foreign countries as provided in appropriations or other law. This language would extend to a limited number of top officials in the Department in the United States the same type of authority which is presently available to agriculture attachés stationed in foreign countries and which is presently available to several agencies of the Government; that is, the authority to use funds for the payment of expenses of necessary official entertainment and other courtesies to representatives of foreign countries in the United States.

*Section 9 (a). Allocation of farm-ownership loans to States*

Section 4 of the Farmers' Home Administration Act of 1946 (7 U. S. C. 1004) requires the distribution of farm-ownership loans to be based on farm population and prevalence of tenancy in each State, except that there may be distributed to each State such amounts as are necessary to meet the needs of veterans.

Since 1951 appropriation acts have provided that not to exceed certain stated amounts may be distributed to States without regard to the basic formula for loans in reclamation projects and to entrymen on unpatented public land. Section 9 (a) of the bill incorporates in permanent law the provision authorizing the distribution of funds, in addition to the amount otherwise distributed, for loans in reclamation projects and to entrymen on unpatented public lands in such amounts as may be provided in applicable appropriations.

*Section 9 (b). Single account for Farmers' Home Administration Administrative funds*

Appropriation acts for several years have authorized, in the interest of simplifying operations, the transfer of specific amounts from the farm tenant mortgage insurance fund to the appropriation for salaries and expenses for the Farmers' Home Administration, thus making available for expenses in connection with all programs administered under the appropriation "Salaries and expenses, Farmers' Home Administration" moneys which by basic law are available only for expenses in connection with the mortgage insurance program. Since as a practical matter these funds are not sufficient for administrative expenses of administering the mortgage insurance program, the change is to simplify budget and accounting operations. Section 9 (b) of the bill provides for the placing of all funds of the Farmers' Home Administration available for administrative expenses in a single account when authorized by appropriation or other law, thus providing legislative support for the present appropriation act language.

*Section 10. Definition of administrative expenses of Federal Crop Insurance Corporation and payment from premium income*

Section 10 of the bill amends section 516 of the Federal Crop Insurance Act (7 U. S. C. 1516 (a)) by adding to the list of costs which may be considered as nonadministrative or nonoperating, the direct cost of loss adjusters for crop inspections and loss adjustment. It also amends section 516 (a) by authorizing the use of premium income for administrative and operating costs within limits prescribed by the applicable appropriation. Similar provisions have been carried in the appropriation acts.

Direct costs of loss adjustment are generally considered to be nonadministrative expenses and are usually paid from premium income. The proposal to use a portion of premium income for administrative expenses is desirable in order to have sufficient flexibility in funds needed to cover sales costs. The cost of new sales is extremely variable since it is difficult to estimate in advance just what the volume of business will be. Thus, the proposed section would provide the needed flexibility and permit more effective operations.

*Section 11 (a). Acquisition of land*

Section 11 (a) authorizes the Department to acquire land by purchase, exchange, or otherwise when so provided in the applicable appropriation or other law. Some agencies of the Department have basic authority to acquire land when required in the conduct of their programs. From time to time it is necessary for other agencies to acquire land, particularly in connection with research activities. For instance, the 1957 Appropriation Act contains authority for the Agricultural Research Service to acquire land. The proposed section

would not affect in any way existing authorities for the acquisition of land.

*Section 11 (b). Options to acquire land*

Section 11 (b) authorizes the Department to use appropriations available for purchase of land for the payment of options for land purchases at not to exceed $1 for each option. The annual appropriation act has included such authority for many years. The Comptroller General has held that funds are not available for the cost of options in the absence of specific statutory authority. Provision is also made for paying more than $1 for an option when authorized by appropriation or other law.

*Section 12. Travel expenses of personnel engaged in inspection, classing, and grading of agricultural commodities*

This section authorizes the Secretary of Agriculture to provide for payment of travel expenses of persons appointed for temporary or seasonal services in the inspection, classing, and grading of agricultural commodities in situations where travel expenses may not be paid by the Government under existing law. This authority is needed to continue the effectiveness and integrity of the service and to meet heavy, seasonal, or temporary demands. Authority for payment for travel between places of recruitment and places of duty and return, as well as travel and per diem at places of duty, is needed in order to continue to provide effective inspection, grading, and classing services on a seasonal temporary basis. Employees are, in many instances, recruited at distant points and official headquarters and duty stations are frequently changed. Because of distances involved and the short duration of employment, many refuse employment if required to pay their own travel expenses in traveling to the place of seasonal or temporary employment, in maining a second residence, or in commuting substantial distances while working on a temporary or seasonal basis away from home, and in returning home when the assignment has been completed.

*Section 13. Working capital fund, Forest Service*

Section 13 of the bill establishes a working capital fund to be available without fiscal-year limitation for furnishing supply and equipment services in support of the programs of the Forest Service. The Secretary of Agriculture is authorized to transfer to the fund without reimbursement and to capitalize in the fund such assets as he may determine but such capitalization shall not exceed $25 million. This method of capitalization provides for the establishment of the fund without the necessity of an appropriation therefor. The fund will be credited with advance payments and reimbursements from appropriations of the Forest Service, other departments and agencies, and otherwise as is authorized by law for services and supplies furnished at rates approximately equal to the cost of furnishing the facilities and services. The fund is to be available for such supplies and services as the Forest Service is authorized to obtain by its various appropriations. In this connection the committee deemed it desirable to limit the cost of buildings and improvements to the amount provided in the yearly appropriations for the Forest Service. It is intended that this fund shall be available for any items of expense for which the appropriation seeking the service, supply, or equipment would otherwise be available.

There is a definite need for this fund principally to provide an efficient and orderly method of financing and accounting for the various service operations serving many programs concurrently. Fire protection, timber utilization, construction and maintenance of roads, and other programs, conservation and research, cooperative assistance to States, farmers, and forest-land owners, are in a brief list of the numerous activities for which centralized funding would be desirable. This funding would permit an orderly stocking of supplies without the necessity of making large purchases for a particular program and the subsequent disposal of the supplies when such a program terminates. Certain fire fighting and other specialized program equipment may not generally be obtained on a rental basis. Also, there are seasonal and periodic uses of motorized and other program equipment which more efficiently could be provided on a common-use basis. Most of the services are now financed initially from one appropriation somewhat arbitrarily selected, with the resultant creation of difficulties in accounting for the use of such funds.

## CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

Section 11 of the Act of May 29, 1884, as added September 21, 1944 (58 Stat. 334), and amended October 30, 1951 (65 Stat. 693), and August 8, 1953 (67 Stat. 493) (21 U. S. C. 114a), as amended by proposed section 2:

> The Secretary of Agriculture, either independently or in cooperation with States or political subdivisions thereof, farmers' associations and similar organizations, and individuals, is authorized to control and eradicate tuberculosis and paratuberculosis of animals, avian tuberculosis, brucellosis of domestic animals, southern cattle ticks, hog cholera and related swine diseases, scabies in sheep and cattle, dourine in horses, scrapie and blue tongue in sheep, incipient or potentially serious minor outbreaks of diseases of animals, and contagious or infectious diseases of animals (such as foot-and-mouth disease, rinderpest, and contagious pleuropneumonia) which in the opinion of the Secretary constitute an emergency and threaten the livestock industry of the country, including the [purchase and destruction of diseased or exposed animals (including poultry), or the destruction of such animals and the payment of indemnities therefor,] *payment of claims growing out of destruction of animals (including poultry), and of materials, affected by or exposed to any such disease,* in accordance with such regulations as the Secretary may prescribe. As used in this section, the term "State" includes the District of Columbia, Puerto Rico, and the Territories and possessions of the United States.

Section 2 of the Act of February 28, 1947 (61 Stat. 7), as amended September 12, 1950; title III, section 301 (85) (64 Stat. 843) (21 U. S. C. 114c) as amended by proposed section 3:

> For purposes of this Act *and section 11 of the Act of May 29, 1884, as added by the Act of September 21, 1944, insofar as said Act relates to diseases which in the opinion of the Secretary constitute an emergency and threaten the livestock industry of the country,* funds appropriated pursuant thereto may also be used for the purchase or hire of passenger motor vehicles and aircraft, for printing and binding without regard to section 87 of the Act of January 12, 1895, or section 11 of the Act of March 1, 1919 (U. S. C., title 44, sec. 111), for personnel services in the District of Columbia and elsewhere, including the employment of civilian nationals of Mexico, and for the construction and operation of research laboratories, quarantine stations, and other buildings and facilities.

Section 14 of the Soil Conservation and Domestic Allotment Act as added by the Act of February 29, 1936 (49 Stat. 1151) (16 U. S. C. 590n), as amended by proposed section 6 (a):

> The facts constituting the bases for any payment or grant or the amount thereof authorized to be made under section 7 or 8 hereof, when officially determined in conformity with rules or regulations prescribed by the Secretary of Agriculture, shall be reviewable only by the Secretary of Agriculture. *Payments to claimants under sections 7 to 17, inclusive, of this Act may be made upon the certificate of the claimant, which certificate shall be in such form as the Secretary of Agriculture may prescribe, that he has carried out the conservation practice or practices and has complied with all other requirements as conditions for such payments and that the statements and information contained in the application for payment are correct and true, to the best of his knowledge and belief, under the penalties of title 18, United States Code.*

Section 11 of the Soil Conservation and Domestic Allotment Act as added by the Act of February 29, 1936 (49 Stat. 1150), and amended June 24, 1936 (49 Stat. 1915) (16 U. S. C. 590k ), as amended by proposed section 6 (c):

> All funds available for carrying out this Act shall be available for allotment to the bureaus and offices of the Department of Agriculture and for transfer to such other agencies of the Federal or State Governments, *or to local public agencies,* as the Secretary may request to cooperate or assist in carrying out this Act and for payments to committees or associations of producers in any region or regions to cover the estimated administrative expenses to be incurred by any such committee or association in cooperating in carrying out this Act: *Provided,* That the Secretary may prescribe that all or part of such estimated expenses of any such committee or association may be deducted pro rata from the payments or grants made to the members thereof: [*And*] *Provided further,* That the Secretary may make such payments in advance of determination of performance: *Provided further,*

*That the transfer of funds for services of technicians in formulating and carrying out agricultural conservation programs, from allotments for agricultural conservation payments within a State, shall be subject to such limitations and conditions as may be provided in appropriation or other law. Funds so transferred may be placed in a single account for each State.*

Section 392 (b) of the Agricultural Adjustment Act of 1938 (52 Stat. 69) as amended January 31, 1942 (56 Stat. 41) (7 U. S. C. 1392 (b)), as amended by proposed section 7:

## TITLE III—LOANS, PARITY PAYMENTS, CONSUMER SAFEGUARDS AND MARKETING QUOTAS

In the administration of this title and sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act, as amended, the aggregate amount expended in any fiscal year, beginning with the fiscal year ending June 30, 1942, for administrative expenses in the District of Columbia, including regional offices, and in the several States (not including the expenses of county and local committees) shall not exceed 3 per centum of the total amount available for such fiscal year for carrying out the purposes of this title and such Act, *unless otherwise provided by appropriation or other law.* In the administration of section 32 of the Act entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes," approved August 24, 1935 (49 Stat. 774), as amended, and the Agricultural Marketing Agreement Act of 1937, as amended, and those sections of the Agricultural Adjustment Act (of 1933), as amended, which were reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, the aggregate amount expended in any fiscal year, beginning with the fiscal year ending June 30, 1942, for administrative expenses in the District of Columbia, including regional offices, and in the several States (not including the expenses of county and local committees) shall not exceed 4 per centum of the total amount available for such fiscal year for carrying out the purposes of said Acts, *unless otherwise provided by appropriation or other law.* In the event any administrative expenses of any county or local committee are deducted in any fiscal year, beginning with the fiscal year ending June 30, 1939, from Soil Conservation Act payments, parity payments, or loans, each farmer receiving benefits under such provisions shall be apprised of the amount or percentage deducted from such benefit payment or loan on account of such administrative expenses. The names and addresses of the members and employees of any county or local committee, and the amount of such compensation received by each of them, shall be posted annually in a conspicuous place in the area within which they are employed.

Section 4, title I, of the Bankhead-Jones Farm Tenant Act (50 Stat. 524) as amended August 14, 1946 (60 Stat. 1075), and August 23, 1951 (65 Stat. 197) (7 U. S. C. 1004), as amended by proposed section 9 (*a*):

## TITLE I—TENANT PURCHASE LOANS AND MORTGAGE INSURANCE

In making loans under this title, the amount which is devoted to such purposes during any fiscal year shall be distributed equitably among the several States and Territories on the basis of farm population and the prevalence of tenancy as determined by the Secretary: *Provided*, That there may be distributed to each State such amounts as are necessary to finance loans pursuant to all bona fide applications from veterans qualified under section 1 hereof: *Provided further*, That there may be disbursed in any fiscal year to each State or Territory such amount not in excess of $100,000 as is determined by the Secretary to be necessary to finance loans in such State or Territory under this title: *Provided further, That there may be distributed to States and Territories such amounts as may be provided in applicable appropriations, in addition to the amount otherwise distributed thereto, for loans in reclamation projects and to entrymen on unpatented public lands.*

Section 516 (a) of the Federal Crop Insurance Act (52 Stat. 77) as amended June 21, 1941 (55 Stat. 255, 256) (7 U. S. C. 1516 (*a*)), as amended by proposed section 10:

There are hereby authorized to be appropriated such sums, not in excess of $12,000,000 for each fiscal year beginning after June 30, 1938, as may be necessary to cover the operating and administrative costs of the Corporation, which shall be allotted to the Corporation in such amounts and at such time or times as the Secretary of Agriculture may determine: *Provided*, That expenses in connection with the purchase, transportation, handling, or sale of the agricultural commodity *and the direct cost of loss adjusters for crop inspections and loss adjustments* may be considered by the Corporation as being nonadministrative or nonoperating expenses. *The Corporation is authorized to use premium income for administrative and operating costs within limits prescribed in applicable appropriations.* For the fiscal year ending June 30, 1939, the appropriation authorized under this subsection is authorized to be made only out of the unexpended balances for the fiscal year ending June 30, 1938, of the sums appropriated pursuant to section 15 of the Soil Conservation and Domestic Allotment Act, as amended.

The following statutes, while not directly amended by the provisions of H. R. 11682, are affected by such provisions:

### Statute Affected by Proposed Section 4

No part of the public moneys, or of any appropriation made by Congress, shall be used for the payment of compensation or expenses of any commission, council, board, or other similar body, or any members thereof, or for expenses in connection with any work or the results of any work or action of any commission, council, board, or other similar body, unless the creation of the same shall be or shall

have been authorized by law; nor shall there be employed by detail, hereafter or heretofore made, or otherwise personal services from any executive department or other Government establishment in connection with any such commission, council, board, or other similar body. (Mar. 4, 1909, 31 U. S. C. 673.)

After January 1, 1945, no part of any appropriation or fund made available by this or any other Act shall be allotted or made available to, or used to pay the expenses of, any agency or instrumentality including those established by Executive order after such agency or instrumentality has been in existence for more than one year, if the Congress has not appropriated any money specifically for such agency or instrumentality or specifically authorized the expenditure of funds by it.

* * * * * * *

(June 27, 1944, 31 U. S. C. 696.)

### Statute Affected by Proposed Section 5

The head of an executive department, or independent establishment, where, in his judgment, conditions of employment require it, may continue to furnish civilians employed in the field service with quarters, heat, light, household equipment, subsistence, and laundry service; and appropriations of the character used before March 5, 1928, for such purposes are made available therefor: *Provided*, That the reasonable value of such allowances shall be determined and considered as part of the compensation in fixing the salary rate of such civilians, (Mar. 5, 1928, 5 U. S. C. 75a.)

### Statute Also Affected by Proposed Section 6a

Notwithstanding the provisions of section 82 of this title, and section 4 of Executive Order Numbered 6166, dated June 10, 1933, disbursing officers under the executive branch of the Government shall (1) disburse moneys only upon, and in strict accordance with, vouchers duly certified by the head of the department, establishment, or agency concerned, or by an officer or employee thereof duly authorized in writing by such head to certify such vouchers; (2) make such examination of vouchers as may be necessary to ascertain whether they are in proper form, duly certified and approved, and correctly computed on the basis of the facts certified; and (3) be held accountable accordingly. (Dec. 29, 1941, 31 U. S. C. 82b.)

### Statute Affected by Proposed Section 6b

Any payment or grant of aid made under subsection (b) shall be conditioned upon the utilization of the land, with respect to which such payment is made, in conformity with farming practices which the Secretary finds tend to effectuate any one or more of the purposes specified in clause (1), (2), (3), (4), or (5) of section 7 (a). (Sec. 8 (d) of the Soil Conservation and Domestic Allotment Act 16 U. S. C. 590h (d).)

### Statute Affected by Proposed Section 9b

The Secretary shall require the mortgagor or mortgagee of such initial fees for inspection, appraisal, and other charges as he finds

necessary * * *. The proceeds of such fees shall be deposited in the Treasury for use for administrative expenses as provided in subsection (e) (2) of this section.

(1) The Secretary shall collect from the mortgagor for mortgage insurance an annual charge at the rate of one per centum of the outstanding principal obligation of the mortgage; * * *. (2) One-half of the amount paid as charges in pursuance of this subsection shall be the premium for insurance and shall be deposited in the fund [1] and may be used only for purposes to which the fund may be devoted. The other half of the amounts so paid shall be deposited in the Treasury to the credit of the Secretary and shall be available only for administrative expenses to carry out the provisions of sections 1–5, 12–14 of this title, relating to mortgage insurance. (Sec. 12 (d), (e) of title I, Bankhead-Jones Farm Tenant Act, 7 U. S. C. 1005b (d) (e).)

One-half of all insurance charges [2] shall become a part of the Fund and one-half shall be deposited in the Treasury of the United States and shall be available for administrative expenses in connection with the insurance program authorized by sections 3–10 of this title. (Sec. 10 (c), the Act of August 28, 1937, as added by the Act of August 17, 1954, 16 U. S. C. 590x–3 (c), Supp. III.)

### Statute Affected by Proposed Section 11a

No land shall be purchased on account of the United States except under a law authorizing such purchase. (41 U. S. C. 14.)

### Statute Affected by Proposed Section 11b

No advance of public money shall be made in any case unless authorized by the appropriation concerned or other law. And in all cases of contracts for the performance of any service, or the delivery of articles of any description, for the use of the United States, payment shall not exceed the value of the service rendered, or of the articles delivered previously to such payment * * * (Act of Aug. 2, 1946, 31 U. S. C. 529.)

### Statute Affected by Proposed Section 14

No funds made available by this or any other Act shall be withdrawn from one appropriation account for credit to another, or to a working fund, except as authorized by law: *Provided*, That, except as otherwise specifically provided by law, any funds so withdrawn and credited shall be available for the same purposes, and subject to the same limitations, conditions, and restrictions, as provided by the Act appropriating such funds: *Provided further*, That any such withdrawal and credit shall be made, without warrant action, by check: *Provided further*, That no funds withdrawn and credited pursuant to section 601 of the Act of June 30, 1932, as amended (47 Stat. 417; 31 U. S. C. 686), shall be available for any period beyond that provided by the Act appropriating such funds. (64 Stat. 765.)

[1] Farm tenant-mortgage insurance fund.
[2] Insurance of loans for facilities for water storage and utilization.

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Union Calendar No. 1110

84TH CONGRESS
2D SESSION

# H. R. 11682

[Report No. 2732]

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 8, 1956

Mr. COOLEY introduced the following bill; which was referred to the Committee on Agriculture

JULY 16, 1956

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

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# A BILL

To facilitate the control and eradication of certain animal diseases, to facilitate the carrying out of agricultural and related programs, to facilitate the agricultural attaché program, to facilitate the operations of the Farmers' Home Administration, the Federal Crop Insurance Corporation, and the Forest Service, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Department of Agriculture Organic Act of 1956".

SEC. 2. Section 11 of the Act of May 29, 1884, as added by the Act of September 21, 1944 (21 U. S. C. 114a),

and as amended, is hereby further amended to read as follows:

"SEC. 11. The Secretary of Agriculture, either independently or in cooperation with States or political subdivisions thereof, farmers' associations and similar organizations, and individuals, is authorized to control and eradicate tuberculosis and paratuberculosis of animals, avian tuberculosis, brucellosis of domestic animals, southern cattle ticks, hog cholera and related swine diseases, scabies in sheep and cattle, dourine in horses, scrapie and blue tongue in sheep, incipient or potentially serious minor outbreaks of diseases of animals, and contagious or infectious diseases of animals (such as foot-and-mouth disease, rinderpest, and contagious pleuropneumonia) which in the opinion of the Secretary constitute an emergency and threaten the livestock industry of the country, including the payment of claims growing out of destruction of animals (including poultry), and of materials, affected by or exposed to any such disease, in accordance with such regulations as the Secretary may prescribe. As used in this section, the term 'State' includes the District of Columbia, *Puerto Rico*, and the Territories and possessions of the United States."

SEC. 3. Section 2 of the Act of February 28, 1947 (21 U. S. C. 114c) is hereby amended by inserting, immediately following the word "Act" where it first appears therein

the following: "and section 11 of the Act of May 29, 1884, as added by the Act of September 21, 1944, insofar as said Act relates to diseases which in the opinion of the Secretary constitute an emergency and threaten the livestock industry of the country".

SEC. 4. Funds available for carrying out the activities of the Department of Agriculture shall be available for expenses of advisory committees, including travel expenses in accordance with the provisions of section 5 of the Administrative Expenses Act of 1946, as amended.

SEC. 5. The Department of Agriculture is authorized to furnish subsistence to employees without consideration as, or deduction from, the compensation of such employees where warranted by emergency condition connected with the work under such regulations as the Secretary of Agriculture may prescribe.

SEC. 6. (a) Section 14 of the Soil Conservation and Domestic Allotment Act (as added by the Act of February 29, 1936 (16 U. S. C. 590n)), is amended by adding at the end thereof the following: "Payments to claimants under sections 7 to 17, inclusive, of this Act may be made upon the certificate of the claimant, which certificate shall be in such form as the Secretary of Agriculture may prescribe, that he has carried out the conservation practice or practices and has complied with all other requirements as condi-

tions for such payments and that the statements and information contained in the application for payment are correct and true, to the best of his knowledge and belief, under the penalties of title 18, United States Code."

(b) Payments of grants under sections 7 to 17 of the Soil Conservation and Domestic Allotment Act, as amended, may be conditioned upon the utilization of land with respect to which such payments or grants are to be made in conformity with farming practices which will encourage and provide for soil-building and soil- and water-conserving practices in the most practical and effective manner and adapted to conditions in the several States, as determined and approved by the State committees appointed pursuant to section 8 (b) of such Act, for the respective States.

(c) Section 11 of the Soil Conservation and Domestic Allotment Act, as amended (16 U. S. C. 590k), is amended to read as follows:

"SEC. 11. All funds available for carrying out this Act shall be available for allotment to the bureaus and offices of the Department of Agriculture and for transfer to such other agencies of the Federal or State Governments, or to local public agencies, as the Secretary may request to cooperate or assist in carrying out this Act, and for payments to committees or associations of producers in any region or regions to cover the estimated administrative expenses to

be incurred by any such committee or association in cooperating in carrying out this Act: *Provided,* That the Secretary may prescribe that all or part of such estimated expenses of any such committee or association may be deducted pro rata from the payments or grants made to the members thereof: *Provided further,* That the Secretary may make such payments in advance of determination of performance: *Provided further,* That the transfer of funds for services of technicians in formulating and carrying out agricultural conservation programs, from allotments for agricultural conservation payments within a State, shall be subject to such limitations and conditions as may be provided in appropriation or other law. Funds so transferred may be placed in a single account for each State."

SEC. 7. Section 392 (b) of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 139 (b)), is amended by changing the period at the end of the first sentence to a comma and adding the words "unless otherwise provided by appropriation or other law." and by changing the period at the end of the second sentence to a comma and adding the words "unless otherwise provided by appropriation or other law.".

SEC. 8. Section 606 of title VI of the Agricultural Act of 1954 (7 U. S. C. 1766) is amended by adding at the

end thereof the following: "Funds available for the purposes of this Act may be used for extending courtesies to representatives of foreign countries, when so provided in appropriation or other law."

SEC. 9. (a) Section 4 of the Act of July 22, 1937, as amended (7 U. S. C. 1004), is hereby amended by inserting before the period at the end thereof the following: ": *Provided further*, That there may be distributed to States and Territories such amounts as may be provided in applicable appropriations, in addition to the amount otherwise distributed thereto, for loans in reclamation projects and to entrymen on unpatented public lands".

(b) When authorized by appropriation or other law, funds of the Farmers' Home Administration available for administrative expenses may be placed in a single account.

SEC. 10. Section 516 (a) of the Federal Crop Insurance Act, as amended (7 U. S. C. 1516 (a)), is amended to read as follows:

"(a) There are hereby authorized to be appropriated such sums, not in excess of $12,000,000 for each fiscal year beginning after June 30, 1938, as may be necessary to cover the operating and administrative costs of the Corporation, which shall be allotted to the Corporation in such amounts and at such time or times as the Secretary of Agriculture may determine: *Provided*, That expenses in connec-

tion with the purchase, transportation, handling, or sale of the agricultural commodity and the direct cost of loss adjusters for crop inspections and loss adjustments may be considered by the Corporation as being nonadministrative or nonoperating expenses. The Corporation is authorized to use premium income for administrative and operating costs within limits prescribed in applicable appropriations."

SEC. 11. (a) The Department of Agriculture is authorized to acquire land, or interest therein, by purchase, exchange or otherwise, as may be necessary to carry out its authorized work: *Provided,* That no acquisition shall be made under this authority unless provision is made therefor in the applicable appropriation or other law.

(b) Appropriations for the Department of Agriculture which are available for the purchase of land may be expended for options to purchase land: *Provided,* That not to exceed $1 may be expended for each option to purchase any particular tract or tracts of land unless otherwise provided in appropriation or other law.

SEC. 12. Under such regulations as may be prescribed by the Secretary of Agriculture, funds available to the Department of Agriculture may be used for the payment of transportation expenses and per diem in lieu of subsistence expenses, in accordance with the Travel Expense Act of 1949, for travel between places of recruitment and duty,

and while at places of duty, of persons appointed for temporary or seasonal services in inspection, classing or grading agricultural commodities.

SEC. ~~14~~ *13*. There is hereby established a working capital fund which shall be available without fiscal year limitation for expenses necessary, including the purchase or construction of buildings and improvements within the limitations thereon set forth in the appropriations for the Forest Service, for furnishing supply and equipment services in support of programs of the Forest Service. The Secretary of Agriculture is authorized to transfer to the fund, without reimbursement, and to capitalize in the fund at fair and reasonable values, such receivables, inventories, equipment, and other assets as he may determine, and assume the liabilities in connection with such assets, but such capitalization shall not exceed $25,000,000: *Provided,* That the fund shall be credited with advance payments in connection with firm orders and reimbursements from appropriations and funds of the Forest Service, other departmental and Federal agencies, and from other sources, as authorized by law, at rates approximately equal to the cost of furnishing the facilities and service.

Union Calendar No. 1110

84TH CONGRESS
2D SESSION

# H. R. 11682

[Report No. 2732]

# A BILL

To facilitate the control and eradication of certain animal diseases, to facilitate the carrying out of agricultural and related programs, to facilitate the agricultural attaché program, to facilitate the operations of the Farmers' Home Administration, the Federal Crop Insurance Corporation, and the Forest Service, and for other purposes.

By Mr. COOLEY

JUNE 8, 1956

Referred to the Committee on Agriculture

JULY 16, 1956

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[illegible] H. R. 11682

[illegible]

# A BILL

July 2-3, 1956

withdrawn and the withdrawal lifted. This bill will now be sent to the President p. 12676

Passed as reported HR 4096, to provide for the dispcsal of public lands within highway, telephone, and pipeline withdrawals in Alaska, subject to appropriate easements. p. 12676

Passed without amendment S. 4059, providing for price reporting and research with respect to forest products. p. 12761

16. PROPERTY. Passed without amendment H. R. 10946, to provide for the disposition of surplus personal property to the Territorial government of Alaska until Dec. 31, 1958. This bill will now be sent to the President. p. 12676

17. SEEDS. Passed as reported H. R. 11522, to provide for the extension of certain provisions of Federal laws, including the Federal Seed Act, the Vocational Rehabilitation Act, and wildlife restoration authorities, to Guam. p. 12678

18. LANDS. Passed over, at the request of Sen. Purtell, S. 3957, to amend the act authorizing the exchange of certain farm units in order to limit the time during which applications may be made under the act. p. 12684

Passed over, at the request of Sen. Purtell S. Res. 281, relative to the conservation and development of land and water resources. p. 12684

Passed without amendment H. J. Res. 642, to authorize and direct the Secretary of Agriculture to quitclaim certain property in Coahoma Co., Miss., to the Home Demonstration Club of Rena Lara, Miss. This measure will now be sent to the President. p. 12727

19. TRANSPORTATION. Passed without amendment S. J. Res. 197, authorizing the President to proclaim the period from Oct. 22 to 27, 1956, as National Transportation Week. p. 12686

20. FARM-CITY WEEK. Passed without amendment H. J. Res. 317, designating the week of Nov. 16 to 22, 1956, as National Farm-City Week. This measure is now ready for the President. p. 12686

21. FOREIGN AFFAIRS. Sen. Mansfield discussed the foreign policy problems between the U. S. and Russia. p. 12703

22. RECLAMATION. Agreed to the conference report on S. 497, to authorize the Secretary of the Interior to construct, operate, and maintain the Wahoe reclamation project, Nev. and Calif. This bill will now be sent to the President. p. 12708

23. PERSONNEL. Passed as reported S. 3725, to provide for increases in the annuities of annuitants under the Civil Service Retirement Act of May 29, 1930, as amended. p. 12723

24. FARM PROGRAM. Sen. Stennis discussed the "economic plight" of the farmer. p. 12727

25. EXECUTIVE PAY; RETIREMENT. The "Daily Digest" states that "Conferees met in executive session to resolve the difference between the Senate- and House-passed versions of H. R. 7619, to adjust the rates of compensation of heads of executive departments and of certain other Federal officials, but did not conclude their work and will meet again tomorrow." p. D870

26. APPROPRIATIONS. Agreed to waive the rule providing that all reports of committees lie over 1 day for consideration, in order that the second supplemental appropriation bill for 1957 may be considered when received. p. 12667

27. LEGISLATIVE PROGRAM. Sen. Johnson announced that the mutual security appropriation bill will be further considered today. p. 12762

## HOUSE

28. APPROPRIATIONS. Agreed to the conference report on H. R. 12138, the supplemental appropriation bill for 1957. The House concurred in the Senate amendment providing $40,000 for the Baker National Forest ski shelter; and adopted amendments to the Senate amendments providing $16,250,000 (instead of $18,915,000) for animal disease laboratory facilities and providing that land acquisition to the Superior National Forest shall be subject to local governmental approval. p. 12763

Passed as reported H. R. 11682, to facilitate the control and eradication of certain animal diseases, to facilitate the carrying out of agricultural and related programs, to facilitate the agricultural attache program, and to facilitate the operation of the FHA, FCIC, and FS. p. 12806

29. BUDGETING; ACCOUNTING. Received the conference report on S. 3897, to improve Governmental budgeting and accounting methods and procedures. The statement of the House conferees includes the following: "The conference substitute is substantially the bill as passed by the House with the deletion of the minor amendments which the House made to H. R. 11526 as originally introduced. The provision for appropriations on an accrued expenditure basis which the House rejected remains out of the substitute.

"The substitute, as in the House-passed bill, provides for budget information on program costs and accomplishments; departmental budgeting on a cost basis; synchronization of organization structure, budget classifications and accounting systems; accounting on an accrual basis; and simplification in the subdivision of appropriations or funds.

"This legislation does not provide for a major overhaul of the Government budget and accounting systems nor does it correct all of the weaknesses that have been criticized. It does, however, provide progressive forward steps on the basis of which many improvements can be made. Due to the impending adjournment it is not likely that further action can be taken in this Congress." (H. Rept. 2872). p. 12770

30. FORESTRY. Rep. Gavin objected to the consideration of S. 1079, to authorize the Secretary of Agriculture to sell at not less than the appraised value, and under such terms and conditions as he deems appropriate, lands in the national forests which are isolated parcels or narrow projecting strips, when he finds such lands suitable for private ownership and better adapted to commercial, agricultural, residential, or private purposes other than to national forest purposes. p. 12794

Passed without amendment S. 2216, to amend the Act of March 4, 1915, to permit the use and occupancy of national forest lands for industrial and commercial purposes, and by States or political subdivisions for constructing facilities for education or other public uses. This bill is now ready for the President. p. 12794

31. LANDS. At the request of Rep. Aspinall (for Rep. Dempsey), passed over H. R. 8250, to require conformance with State and Territorial fish and game laws and

International Association of Accident and Health Underwriters.

Multiple Sclerosis Foundation of America.

Muscular Dystrophy Associations of America, Inc.

National Association of Boards of Pharmacy.

National Association of Retail Druggists, and many others.

In the city of Chicago there are accredited medical schools of high quality, such as the University of Chicago School of Medicine, Northwestern University Medical School, Chicago Medical College, University of Illinois School of Medicine, and Loyola University School of Medicine.

There are research institutes such as the Hektoen Institute of the Cook County Hospital, the Nelson Morris Institute of Michael Reese Hospital and its Psycosomatic Institute, the Otho A. Sprague Memorial Institute.

Approximately 100 hospitals are located in Chicago. These include the Cook County Hospital, the Billings Memorial Hospital, the group associated with Northwestern University which includes Passavant, Wesley, and the veterans' hospital.

The city of Chicago has a municipal tuberculosis sanitarium which is one of the largest and best recognized in the world and associated with it other institutions such as dispensaries and sanitariums.

In all of these institutions medical research is carried on of a high order and on a considerable scale.

Because of its central location the city of Chicago more often than any other city in the country welcomes conventions and assemblies of doctors, including regularly the annual meeting of the American Academy of Ophthalmology and Otolaryngology, the American Academy of Dermatology, the American Academy of Gynecology and Obstetrics, and the American Academy of Orthopedic Surgery. To these conventions come many thousands of physicians who are interested in the advancement of medical science.

So much interest has been displayed in the possible location of the National Library of Medicine where it would serve a far wider range of persons and institutions in the field of medicine than if it were located in any other city that the Medical Center has offered as a gift nine acres of ground, and similarly the University of Chicago and Northwestern University have offered to make land available in the medical centers under their jurisdiction for the building of this library.

Mr. Speaker, I urge passage of this bill.

(Mr. O'BRIEN of Illinois (at the request of Mr. YATES) was given permission to extend his remarks at this point.)

Mr. O'BRIEN of Illinois. Mr. Speaker, I favor passage of the bill to create the National Library of Medicine.

This bill is concerned with the greatest medical library in the world, which is now known as the Armed Forces Medical Library. It contains almost a million books and pamphlets. It also houses portraits and photographs of outstanding medical men, and the completeness of its periodicals makes it preeminent in the field of scientific research libraries. The need for the bill at this time is because these precious scientific books and publications are housed in extremely poor facilities in buildings which make the library susceptible to destruction by fire or storm. This bill proposes to build facilities which would provide adequate housing for the library.

No one disputes the fact that a good library building should be constructed. Such a building is imperative. The dispute arises as to where the building should be located, whether in the District of Columbia or in the city of Chicago. We think it should be located in the city of Chicago. We hope the Board of Regents will see fit to select Chicago as the new site for the library.

Chicago is the logical place to establish the National Library of Medicine for the following reasons:

First. Chicago is ideally situated geographically. It is close to the center of the country and to the center of population. It is easily accessible by railroad and its airports have the greatest traffic of any city in the country. In a few years it is anticipated that the St. Lawrence seaway will make the city of Chicago a world port bringing visitors from all over the globe.

Second. Chicago is a center of medical education. It has five major accredited medical schools and almost 100 hospitals. The Medical Center which is well on its way to completion on the southwest side of the city, will place Chicago in the forefront of medical progress among the great cities of the world.

Third. All major medical societies are located in the city of Chicago. We now have the national offices of the American Medical Association, the American Dental Association, the American College of Surgeons, the American Hospital Association, the Association of American Medical Colleges, and many others. As of 1940, 24 national medical journals were published in Chicago, including the official journals of the American Medical Association, and other such groups. The Chicago area has more persons employed in medical and health activities than any other major metropolitan area except New York City. This is true as well, for persons employed in manufacturing drugs and medicines. The Chicago area, too, has more physicians, surgeons, and dentists in active practice than any other city except New York.

Mr. Speaker, I could continue indefinitely to list the many attainments which have given Chicago such an outstanding place in the medical world. I feel certain that when the Board of Regents makes its investigation and its determination of the place where the library should be located, it will select Chicago.

(Mr. BOWLER (at the request of Mr. YATES) was given permission to extend his remarks at this point.)

Mr. BOWLER. Mr. Speaker, I rise in support of this bill. It is a good bill. It has been evident for a long time that the very valuable books and documents of the Armed Forces Medical Library should be placed in adequate housing.

For some weeks a dispute has existed as to whether the new library should be located in the District of Columbia or in the city of Chicago. I, of course, am firmly of the opinion that the library should be located in Chicago because of the many advantages Chicago offers to the medical profession, to the Armed Forces, and to the people of our Nation.

I am particularly interested that it should be in Chicago because of the location in my district of the greatest medical center in our country, if not in the world. Located on the near west side of Chicago, the medical center district is an area of 305 acres, set apart by the State legislature for the expansion and development of medical institutions. It is within a few minutes' ride of the downtown loop business district, along the new Congress Expressway.

The district contains three hospitals, with 5,600 beds, including Cook County Hospital, which is the largest general hospital in the world. Within it are located 3 medical colleges, a postgraduate school of medicine, 2 dental colleges, 3 schools of nursing, a college of pharmacy, and a dozen other related institutions. More than 3,000 students are enrolled in its professional schools. Approximately 2,500 physicians come to the medical center each year for postgraduate studies. Since 1951, 15 new medical institutions have been completed within the district. Another unit is under construction at the present time, and plans have been made for additional medical facilities in the near future. This unique concentration of medical service, research, and education makes this area the foremost of all medical centers. It is the natural location for the new National Library of Medicine.

The Chicago Medical Center is under the supervision of the medical center commission. Drs. Walter H. Theobald and Karl A. Meyer are among the most distinguished men of medicine in the Nation. They are the guiding lights and dynamic force building this great center dedicated to the welfare of men, women, and children everywhere. They have foreseen the need for this library as an adjunct to the work of their dynamic medical community. They have offered to donate a valuable tract of land in the heart of the medical center, containing approximately 8½ acres, as a base for the library building. Their generosity should be noted by the board of regents.

Chicago is the natural location for the new National Library of Medicine. I feel certain that the board of regents, when appointed, will agree with this conclusion.

## GREAT PLAINS CONSERVATION PROGRAM

The Clerk called the bill (H. R. 11833) to amend the Soil Conservation and Domestic Allotment Act and the Agricultural Adjustment Act of 1938 to provide for a Great Plains conservation program.

Mr. ASPINALL. Mr. Speaker, because of the appropriation authorized by this bill, I ask unanimous consent that it be passed over without prejudice.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

DEPARTMENT OF AGRICULTURE

The Clerk called the bill (H. R. 11682) to facilitate the control and eradication of certain animal diseases, to facilitate the carrying out of agricultural and related programs, to facilitate the agricultural attaché program, to facilitate the operations of the Farmers' Home Administration, the Federal Crop Insurance Corporation, and the Forest Service, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BYRNES of Wisconsin. Mr. Speaker, reserving the right to object, this is a rather lengthy bill and covers a number of subjects. There is, however, no departmental report included, as a part of the committee report so we, on the "committee of objectors," are unable to determine whether this bill is in accordance with the Department's recommendation.

Mr. COOLEY. This bill has been prepared actually by the Department of Agriculture. It was submitted to us in a communication and came to the committee in the form in which it is now presented. It has the support of the Department of Agriculture. I might say that we refer to this as the housekeeping bill because through the years the Committee on Appropriations has provided appropriations for the Department of Agriculture to carry on certain activities for which authorizing legislation had been based on the organic act.

Mr. BYRNES of Wisconsin. I understand this is very similar as far as its objectives are concerned to the bill that we received last week from the Committee on Armed Services, namely, to put into the basic law some of the legislative provisions which have been incorporated in appropriations acts; is that correct?

Mr. COOLEY. That is correct.

Mr. BYRNES of Wisconsin. In that bill we ran into several items that were controversial. Can the gentleman advise us whether there are any provisions in this bill that are controversial?

Mr. COOLEY. I do not think there is any controversy about it. It was unanimously reported by our committee. I have a letter of May 25, 1956, addressed to the Speaker of the House.

Mr. BYRNES of Wisconsin. I must assume there is no objection, if it was unanimously reported.

Mr. FORD. Mr. Speaker, further reserving the right to object, I would like to ask the gentleman whether this legislation has been checked by the ranking member of the Subcommittee on Agriculture for Appropriations, the gentleman from Mississippi [Mr. WHITTEN], and the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. COOLEY. The action of that committee precipitated the necessity for this bill. They have been granting legislative authority on appropriation bills. Certainly it seems entirely proper for the legislative committee to take action pending obtaining permission of the members of the Appropriations Subcommittee on Agriculture. The gentleman from Kansas is here, and he can speak for himself.

Mr. HOPE. I do not understand why the members of the Subcommittee on Agriculture Appropriations should object to this bill, because they have been doing these things that we are trying to correct because they felt it was the proper thing to do, from an appropriation standpoint. But the authority does not exist for the provisions they have put into the appropriation bill. What we are trying to do is assist them by granting authority in legislation to continue what they have been doing. There is not an item in this bill that was not here except that it has been carried in an appropriation bill in recent years.

Mr. FORD. It is my understanding that there are at least perhaps three items which were not in the fiscal 1957 appropriation.

Mr. COOLEY. There are three items that are not legislation. That is section 8, section 12, and section 13, but all of those 3 sections are supported by the Department of Agriculture, after full and complete hearings, and approved by the membership of our committee.

Mr. FORD. Mr. Speaker, I withdraw my objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That this act may be cited as the "Department of Agriculture Organic Act of 1956."

SEC. 2. Section 11 of the act of May 29, 1884, as added by the act of September 21, 1944 (21 U. S. C. 114a), and as amended, is hereby further amended to read as follows:

"SEC. 11. The Secretary of Agriculture, either independently or in cooperation with States or political subdivisions thereof, farmers' associations and similar organizations, and individuals, is authorized to control and eradicate tuberculosis and paratuberculosis of animals, avian tuberculosis, brucellosis of domestic animals, southern catttle ticks, hog cholera and related swine diseases, scabies in sheep and cattle, dourine in horses, scrapie and blue tongue in sheep, incipient or potentially serious minor outbreaks of diseases of animals, and contagious or infectious diseases of animals (such as foot-and-mouth disease, rinderpest, and contagious pleuropneumonia) which in the opinion of the Secretary constitute an emergency and threaten the livestock industry of the country, including the payment of claims growing out of destruction of animals (including poultry), and of materials, affected by or exposed to any such disease, in accordance with such regulations as the Secretary may prescribe. As used in this section, the term 'State' includes the District of Columbia and the Territories and possessions of the United States."

SEC. 3. Section 2 of the act of February 28, 1947 (21 U. S. C. 114c) is hereby amended by inserting, immediately following the word "act" where it first appears therein the following: "and section 11 of the act of May 29, 1884, as added by the act of September 21, 1944, insofar as said act relates to diseases which in the opinion of the Secretary constitute an emergency and threaten the livestock industry of the country."

SEC. 4. Funds available for carrying out the activities of the Department of Agriculture shall be available for expenses of advisory committees, including travel expenses in accordance with the provisions of section 5 of the Administrative Expenses Act of 1946, as amended.

SEC. 5. The Department of Agriculture is authorized to furnish subsistence to employees without consideration as, or deduction from, the compensation of such employees where warranted by emergency condition connected with the work under such regulations as the Secretary of Agriculture may prescribe.

SEC. 6. (a) Section 14 of the Soil Conservation and Domestic Allotment Act (as added by the act of February 29, 1936 (16 U. S. C. 590n), is amended by adding at the end thereof the following: "Payments to claimants under sections 7 to 17, inclusive, of this act may be made upon the certificate of the claimant, which certificate shall be in such form as the Secretary of Agriculture may prescribe, that he has carried out the conservation practice or practices and has complied with all other requirements as conditions for such payments and that the statements and information contained in the application for payment are correct and true, to the best of his knowledge and belief, under the penalties of title 18, United States Code."

(b) Payments of grants under sections 7 to 17 of the Soil Conservation and Domestic Allotment Act, as amended, may be conditioned upon the utilization of land with respect to which such payments or grants are to be made in conformity with farming practices which will encourage and provide for soil-building and soil- and water-conserving practices in the most practical and effective manner and adapted to conditions in the several States, as determined and approved by the State committees appointed pursuant to section 8 (b) of such act, for the respective States.

(c) Section 11 of the Soil Conservation and Domestic Allotment Act, as amended (16 U. S. C. 590k), is amended to read as follows:

"SEC. 11. All funds available for carrying out this act shall be available for allotment to the bureaus and offices of the Department of Agriculture and for transfer to such other agencies of the Federal or State Governments, or to local public agencies, as the Secretary may request to cooperate or assist in carrying out this act, and for payments to committees or associations of producers in any region or regions to cover the estimated administrative expenses to be incurred by any such committee or association in cooperating in carrying out this act: *Provided*, That the Secretary may prescribe that all or part of such estimated expenses of any such committee or association may be deducted pro rata from the payments or grants made to the members thereof: *Provided further*, That the Secretary may make such payments in advance of determination of performance: *Provided further*, That the transfer of funds for services of technicians in formulating and carrying out agricultural conservation programs, from allotments for agricultural conservation payments within a State, shall be subject to such limitations and conditions as may be provided in appropriation or other law. Funds so transferred may be placed in a single account for each State."

SEC. 7. Section 392 (b) of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 139 (b)), is amended changing the period at the end of the first sentence to a comma and adding the words "unless otherwise provided by appropriation or other law." and by changing the period at the end of the second sentence to a comma and adding the words "unless otherwise provided by appropriation or other law.".

SEC. 8. Section 606 of title VI of the Agricultural Act of 1954 (7 U. S. C. 1766) is amended by adding at the end thereof the following: "Funds available for the purposes of this act may be used for extending courtesies to representatives of foreign countries,

when so provided in appropriation or other law."

SEC. 9. (a) Section 4 of the act of July 22, 1937, as amended (7 U. S. C. 1004), is hereby amended by inserting before the period at the end thereof the following: ": *Provided further*, That there may be distributed to States and Territories such amounts as may be provided in applicable appropriations, in addition to the amount otherwise distributed thereto, for loans in reclamation projects and to entrymen on unpatented public lands."

(b) When authorized by appropriation or other law, funds of the Farmers' Home Administration available for administrative expenses may be placed in a single account.

SEC. 10. Section 516 (a) of the Federal Crop Insurance Act, as amended (7 U. S. C. 1516 (a)), is amended to read as follows:

"(a) There are hereby authorized to be appropriated such sums, not in excess of $12 million for each fiscal year beginning after June 30, 1938, as may be necessary to cover the operating and administrative costs of the Corporation, which shall be allotted to the Corporation in such amounts and at such time or times as the Secretary of Agriculture may determine: *Provided*, That expenses in connection with the purchase, transportation, handling, or sale of the agricultural commodity and the direct cost of loss adjusters for crop inspections and loss adjustments may be considered by the Corporation as being nonadministrative or nonoperating expenses. The Corporation is authorized to use premium income for administrative and operating costs within limits prescribed in applicable appropriations."

SEC. 11. (a) The Department of Agriculture is authorized to acquire land, or interest therein, by purchase, exchange or otherwise, as may be necessary to carry out its authorized work: *Provided*, That no acquisition shall be made under this authority unless provision is made therefor in the applicable appropriation or other law.

(b) Appropriations for the Department of Agriculture which are available for the purchase of land may be expended for options to purchase land: *Provided*, That not to exceed $1 may be expended for each option to purchase any particular tract or tracts of land unless otherwise provided in appropriation or other law.

SEC. 12. Under such regulations as may be prescribed by the Secretary of Agriculture, funds available to the Department of Agriculture may be used for the payment of transportation expenses and per diem in lieu of subsistence expenses, in accordance with the Travel Expense Act of 1949, for travel between places of recruitment and duty, and while at places of duty, of persons appointed for temporary or seasonal services in inspection, classing or grading agricultural commodities.

SEC. 14. There is hereby established a working capital fund which shall be available without fiscal year limitation for expenses necessary, including the purchase or construction of buildings and improvements within the limitations thereon set forth in the appropriations for the Forest Service, for furnishing supply and equipment services in support of programs of the Forest Service. The Secretary of Agriculture is authorized to transfer to the fund, without reimbursement, and to capitalize in the fund at fair and reasonable values, such receivables, inventories, equipment, and other assets as he may determine, and assume the liabilities in connection with such assets, but such capitalization shall not exceed $25 million: *Provided*, That the fund shall be credited with advance payments in connection with firm orders and reimbursements from appropriations and funds of the Forest Service, other departmental and Federal agencies, and from other sources, as authorized by law, at rates approximately equal to the cost of furnishing the facilities and service.



With the following committee amendments:

Page 2, line 21, after "District of Columbia", insert "Puerto Rico";

Page 8, line 4, strike out "14" and insert "13."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## AUTHORIZING THE SECRETARY OF COMMERCE TO SELL CERTAIN WAR-BUILT VESSELS

The Clerk called the resolution (H. J. Res. 676) to authorize the Secretary of Commerce to sell certain war-built vessels.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the present consideration of the resolution?

There being no objection, the Clerk read the resolution, as follows:

*Resolved, etc.*, That (a) notwithstanding the provisions of section 11 of the Merchant Ship Sales Act of 1946, as amended, and section 510 (h) of the Merchant Marine Act, 1936, as amended, the Secretary of Commerce is authorized to sell within 1 year after the enactment of this joint resolution, to a citizen of the United States, within the meaning of section 2 of the Shipping Act, 1916, as amended, for employment on essential trade routes 3 and 4 to Cuba and Mexico, two C4–S–B2 vessels, to be designated by the Maritime Administrator on an as, where is, basis, provided that the Secretary of Commerce shall determine before entering into such sales that the purchaser possesses the ability, experience, financial resources, and other qualifications necessary to enable it to operate and maintain the vessels in service on that portion of essential trade routes 3 and 4 between Atlantic coast ports of the United States and Cuba and Mexico and to maintain adequate service on such portion of such routes. The sales prices of the vessels shall be their sales prices computed under the Merchant Ship Sales Act of 1946, as of January 15, 1951, depreciated (after reduction for residual value) on a straight-line basis for the period from January 15, 1951, to the date of execution of the contract of sale, on the basis of the portion of a 20-year useful life of the vessels remaining after January 15, 1951.

(b) Each such sale shall be on the basis of the payment by the purchaser of not less than 25 percent of the vessel sales price at the time of execution of the vessel sales contract, with the balance payable in approximately equal annual installments over the remainder of the economic life of the vessel, which economic life is to be determined by the Maritime Administration, with interest on the portion of the vessel sales price remaining unpaid at the rate of 3½ percent per annum. The obligation of the purchaser with respect to payment of such unpaid balance, with interest, shall be secured by a preferred mortgage on the vessels in form satisfactory to the Maritime Administrator.

(c) (1) Such sales shall be made upon condition and agreement that the purchaser recondition the vessels satisfactory to the Secretary of Commerce in a domestic shipyard for use as container ships.

(2) Vessels sold under this act shall be employed exclusively as dry cargo common carriers on that portion of essential trade routes 3 and 4 between Atlantic coast ports of the United States and Cuba and Mexico, until the end of their useful lives, as determined under subsection (b) of this act, or until they are replaced by new tonnage, whichever happens first. These restrictions shall run at law and in equity with the titles to the vessels and are binding upon all subsequent owners.

(d) Any contract of sale executed under authority of this act shall provide that in the event the United States shall, through purchase or requisition, acquire ownership of any such vessel, the owner shall be paid therefor the value thereof, but in no event shall such payment exceed the actual depreciated sales price under such contract (together with the actual depreciated cost of capital improvements thereon); that in computing the depreciated acquisition cost of such vessel, the depreciation shall be computed on the vessel on the schedule adopted or accepted by the Secretary of the Treasury for income tax purposes as applicable to such vessels; that such vessel shall remain documented under the laws of the United States during the remainder of the economic life of the vessel or as long as there remains due the United States any principal or interest on account of the sales price, whichever is the longer period; and that the foregoing provisions respecting the requisition or the acquisition of ownership by the United States, and documentation shall run with the title to such vessel and be binding on all owners thereof.

With the following committee amendments:

Page 1, line 8, between the word "to" and "a", insert "the highest responsible bidder who is."

Page 2, line 1, delete the comma after the word "as" and insert "is,".

Page 2, line 9, delete the word "sales" and insert in lieu thereof the word "upset."

Page 3, line 7, delete the words "container ships." and insert in lieu thereof the following: "lift-on-lift-off ships, roll-on-roll-off ships, or other container-type ships designed primarily for the handling and carriage of consolidated cargo shipments."

The committee amendments were agreed to.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## CONSENT CALENDAR

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it be in order for the Consent Calendar to be called on Thursday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

## AMENDING SECTION 2 OF HOUSE RESOLUTION 331 OF 84TH CONGRESS

Mr. BOLLING. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Resolution 606.

The SPEAKER. Is there objection?

Mr. SMITH of Wisconsin. Reserving the right to object, and I will not, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

FORCED RETIREMENT LAWS INHUMAN

Mr. SMITH of Wisconsin. Mr. Speaker, there is a growing conviction that forced retirement at a certain age is a dreadful prospect for thousands of people. It is evident that there is need for reconsideration of existing laws on the subject of employment and retirement for elderly people.

It is my view, Mr. Speaker, that retirement at 65 years of age should be on an optional basis, depending entirely upon the physical and mental condition of each individual. It is unfair to arbitrarily fix an age limit and say when you reach the age of 65 years, you are no longer needed. It would be wiser to say to the individual, "If you have employment and if you can continue to work profitably, by all means do so." Many who are forced out of jobs at that age would continue to work and this would add another 10 years or more to their lives.

Under present laws and regulations, experienced men are automatically retired from their jobs, and in many cases against their will. Society assigns them to the human scrap heap. This is a tragic situation for many hundreds of people. Not only does it work a hardship upon the individuals but it also deprives a progressive society of valuable manpower. In times of great emergency and in periods of war, age is not frowned upon so long as individuals can make a contribution to the national effort. Why then do we scrap these individuals in peacetime? It makes little sense.

Mr. Speaker, there is another important argument in this situation and it is that by forcing retirement at 65 when the individual can still work, it throws a considerable burden upon the social-security funds. Each day the situation grows more acute as more people reach the 65-year-old category. This, indeed, imposes an increased burden upon the taxpayers. This should be of some concern.

Recently, Mr. Speaker, the 20th Century Fund reported that only 9 percent of the people retiring at the age of 65 did so voluntarily. Employer age policies force 56 percent to quit. Illness or accident cause another 26 percent to retire. Many of these people become morose and unhappy. Many feel they are unneeded and unwanted and without sufficient benefits to provide a reasonable standard of living, they worry about their livelihood. They do not want to become a burden to their families or society. Yet we all recognize that social-security benefits must be considered only as supplemental to other sources of income. In this connection, there is a misconception about the purpose of social-security benefits. It is that the elderly people have a right to expect that these funds will provide an ample and adequate living existence for them. This is not the purpose of the present law.

It is interesting to note that there are now 14 million people in the 65 and older age group. By 1975, it is expected to reach 21 million. As our life span increases, Mr. Speaker, it seems to me that we must consider and review our retirement policies accordingly.

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

The Clerk read the resolution, as follows:

*Resolved,* That section 2 of House Resolution 331 of the 84th Congress, authorizing the Committee on Ways and Means to conduct thorough studies and investigations of all matters coming within the jurisdiction of such committee, is amended by inserting on page 1, line 8, after the word "within" the words "or without."

The resolution was agreed to.

A motion to reconsider was laid on the table.

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## AMENDING CIVIL SERVICE RETIREMENT ACT OF MAY 29, 1930

Mr. ROBESON of Virginia. Mr. Speaker, I ask unanimous consent to return to the consideration of Calendar No. 768, the bill (S. 65) to amend section 1 (d) of the Civil Service Retirement Act of May 29, 1930, as amended. I think the grounds of objection have been clarified.

The Clerk read the title of the bill.

Mr. FORD. Mr. Speaker, I thought we had completed the call of the Consent Calendar.

Mr. ROBESON of Virginia. I had asked unanimous consent for the consideration of this bill.

Mr. FORD. Mr. Speaker, I may say that when this bill was called on the Consent Calendar I objected to it in the utmost sincerity.

If now the gentleman wishes to call it up by consent after the consultation with the leadership on both sides I will not object to its being done, but if this is simply a request to return to the Consent Calendar I must object to it.

Mr. ROBESON of Virginia. I had understood, Mr. Speaker, there was no objection now to the bill.

The SPEAKER. The Chair cannot recognize the gentleman if there is objection, and there is.

The Chair recognizes the gentleman from Arkansas.

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## HEALTH AMENDMENTS ACT OF 1956

Mr. HARRIS. Mr. Speaker, I move to suspend the rules and pass the bill (S. 3958) to improve the health of the people by assisting in increasing the number of adequately trained professional and practical nurses and professional public health personnel, assisting in the development of improved methods of care and treatment in the field of mental health, and for other purposes, as amended.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That this act may be cited as the "Health Amendments Act of 1956".

TITLE I—GRADUATE TRAINING OF PROFESSIONAL PUBLIC HEALTH PERSONNEL

*Traineeships*

SEC. 101. Title III of the Public Health Service Act (42 U. S. C., ch. 6A, subch. II) is amended by adding after section 304 the following new section:

"*Traineeships for professional public health personnel*

"SEC. 305. (a) There are hereby authorized to be appropriated for the fiscal year ending June 30, 1957, and for each of the next 4 fiscal years, such sums as the Congress may determine, to cover the cost of traineeships for graduate or specialized training in public health for physicians, engineers, nurses, and other professional health personnel.

"(b) Traineeships under this section may be awarded by the Surgeon General either (1) directly to individuals whose applications for admission have been accepted by the public or other nonprofit institutions providing the training, or (2) through grants to such institutions.

"(c) Payments under this section may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Surgeon General finds necessary. Such payments to institutions may be used only for traineeships, and payments under this section with respect to any traineeship shall be limited to such amounts as the Surgeon General finds necessary to cover the cost of tuition and fees, and a stipend and allowances (including travel and subsistence expenses) for the trainee.

"(d) The Surgeon General shall appoint an expert advisory committee, composed of persons representative of the principal health specialties in the fields of public health administration and training, to advise him in connection with the administration of this section, including the development of program standards and policies. Members of such committee who are not otherwise in the employ of the United States, while attending meetings of the committee or otherwise serving at the request of the Surgeon General, shall be entitled to receive compensation at a rate to be fixed by the Secretary of Health, Education, and Welfare, but not exceeding $50 per diem, including travel time, and while away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law (5 U. S. C. 73b–2) for persons in the Government service employed intermittently.

"(e) The Surgeon General shall, between June 30, 1958, and December 1, 1958, call a conference broadly representative of the professional and training groups interested in and informed about training of professional public health personnel, and including members of the advisory committee appointed pursuant to subsection (d), to assist him in appraising the effectiveness of the traineeships under this section in meeting the needs for trained public health personnel; in considering modifications in this section, if any, which may be desirable to increase its effectiveness; and in considering the most effective distribution of responsibilities between Federal and State governments with respect to the administration and support of public health training. The Surgeon General shall submit to the Congress, on or before January 1, 1959, a report of such conference, including any recommendations by it relating to the limitation, extension, or modification of this section.

"(f) Except as otherwise provided in this section, nothing contained in this section shall be construed as authorizing any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the personnel or curriculum of any training institution."

*Effective date*

SEC. 102. The amendment made by this title shall become effective July 1, 1956.

TITLE II—ADVANCED TRAINING OF PROFESSIONAL NURSES

*Traineeships*

SEC. 201. Title III of the Public Health Service Act (42 U. S. C., ch. 6A, subch. II) is amended by adding after section 305 (added by sec. 101 of this act) the following new section:

# H. R. 11682

# AN ACT

84TH CONGRESS
2D SESSION

# H. R. 11682

IN THE SENATE OF THE UNITED STATES

JULY 24 (legislative day, JULY 16), 1956

Read twice and referred to the Committee on Agriculture and Forestry

# AN ACT

To facilitate the control and eradication of certain animal diseases, to facilitate the carrying out of agricultural and related programs, to facilitate the agricultural attaché program, to facilitate the operations of the Farmers' Home Administration, the Federal Crop Insurance Corporation, and the Forest Service, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Department of Agriculture Organic Act of 1956".

SEC. 2. Section 11 of the Act of May 29, 1884, as added by the Act of September 21, 1944 (21 U. S. C. 114a),

and as amended, is hereby further amended to read as follows:

"SEC. 11. The Secretary of Agriculture, either independently or in cooperation with States or political subdivisions thereof, farmers' associations and similar organizations, and individuals, is authorized to control and eradicate tuberculosis and paratuberculosis of animals, avian tuberculosis, brucellosis of domestic animals, southern cattle ticks, hog cholera and related swine diseases, scabies in sheep and cattle, dourine in horses, scrapie and blue tongue in sheep, incipient or potentially serious minor outbreaks of diseases of animals, and contagious or infectious diseases of animals (such as foot-and-mouth disease, rinderpest, and contagious pleuropneumonia) which in the opinion of the Secretary constitute an emergency and threaten the livestock industry of the country, including the payment of claims growing out of destruction of animals (including poultry), and of materials, affected by or exposed to any such disease, in accordance with such regulations as the Secretary may prescribe. As used in this section, the term 'State' includes the District of Columbia, Puerto Rico, and the Territories and possessions of the United States."

SEC. 3. Section 2 of the Act of February 28, 1947 (21 U. S. C. 114c) is hereby amended by inserting, immediately following the word "Act" where it first appears therein

the following: "and section 11 of the Act of May 29, 1884, as added by the Act of September 21, 1944, insofar as said Act relates to diseases which in the opinion of the Secretary constitute an emergency and threaten the livestock industry of the country".

SEC. 4. Funds available for carrying out the activities of the Department of Agriculture shall be available for expenses of advisory committees, including travel expenses in accordance with the provisions of section 5 of the Administrative Expenses Act of 1946, as amended.

SEC. 5. The Department of Agriculture is authorized to furnish subsistence to employees without consideration as, or deduction from, the compensation of such employees where warranted by emergency condition connected with the work under such regulations as the Secretary of Agriculture may prescribe.

SEC. 6. (a) Section 14 of the Soil Conservation and Domestic Allotment Act (as added by the Act of February 29, 1936 (16 U. S. C. 590n)), is amended by adding at the end thereof the following: "Payments to claimants under sections 7 to 17, inclusive, of this Act may be made upon the certificate of the claimant, which certificate shall be in such form as the Secretary of Agriculture may prescribe, that he has carried out the conservation practice or practices and has complied with all other requirements as condi-

tions for such payments and that the statements and information contained in the application for payment are correct and true, to the best of his knowledge and belief, under the penalties of title 18, United States Code."

(b) Payments of grants under sections 7 to 17 of the Soil Conservation and Domestic Allotment Act, as amended, may be conditioned upon the utilization of land with respect to which such payments or grants are to be made in conformity with farming practices which will encourage and provide for soil-building and soil- and water-conserving practices in the most practical and effective manner and adapted to conditions in the several States, as determined and approved by the State committees appointed pursuant to section 8 (b) of such Act, for the respective States.

(c) Section 11 of the Soil Conservation and Domestic Allotment Act, as amended (16 U. S. C. 590k), is amended to read as follows:

"SEC. 11. All funds available for carrying out this Act shall be available for allotment to the bureaus and offices of the Department of Agriculture and for transfer to such other agencies of the Federal or State Governments, or to local public agencies, as the Secretary may request to cooperate or assist in carrying out this Act, and for payments to committees or associations of producers in any region or regions to cover the estimated administrative expenses to

be incurred by any such committee or association in cooperating in carrying out this Act: *Provided,* That the Secretary may prescribe that all or part of such estimated expenses of any such committee or association may be deducted pro rata from the payments or grants made to the members thereof: *Provided further,* That the Secretary may make such payments in advance of determination of performance: *Provided further,* That the transfer of funds for services of technicians in formulating and carrying out agricultural conservation programs, from allotments for agricultural conservation payments within a State, shall be subject to such limitations and conditions as may be provided in appropriation or other law. Funds so transferred may be placed in a single account for each State."

SEC. 7. Section 392 (b) of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 139 (b), is amended by changing the period at the end of the first sentence to a comma and adding the words "unless otherwise provided by appropriation or other law." and by changing the period at the end of the second sentence to a comma and adding the words "unless otherwise provided by appropriation or other law.".

SEC. 8. Section 606 of title VI of the Agricultural Act of 1954 (7 U. S. C. 1766) is amended by adding at the

end thereof the following: "Funds available for the purposes of this Act may be used for extending courtesies to representatives of foreign countries, when so provided in appropriation or other law."

SEC. 9. (a) Section 4 of the Act of July 22, 1937, as amended (7 U. S. C. 1004), is hereby amended by inserting before the period at the end thereof the following: ": *Provided further*, That there may be distributed to States and Territories such amounts as may be provided in applicable appropriations, in addition to the amount otherwise distributed thereto, for loans in reclamation projects and to entrymen on unpatented public lands".

(b) When authorized by appropriation or other law, funds of the Farmers' Home Administration available for administrative expenses may be placed in a single account.

SEC. 10. Section 516 (a) of the Federal Crop Insurance Act, as amended (7 U. S. C. 1516 (a)), is amended to read as follows:

"(a) There are hereby authorized to be appropriated such sums, not in excess of $12,000,000 for each fiscal year beginning after June 30, 1938, as may be necessary to cover the operating and administrative costs of the Corporation, which shall be allotted to the Corporation in such

amounts and at such time or times as the Secretary of Agriculture may determine: *Provided,* That expenses in connection with the purchase, transportation, handling, or sale of the agricultural commodity and the direct cost of loss adjusters for crop inspections and loss adjustments may be considered by the Corporation as being nonadministrative or nonoperating expenses. The Corporation is authorized to use premium income for administrative and operating costs within limits prescribed in applicable appropriations."

SEC. 11. (a) The Department of Agriculture is authorized to acquire land, or interest therein, by purchase, exchange or otherwise, as may be necessary to carry out its authorized work: *Provided,* That no acquisition shall be made under this authority unless provision is made therefor in the applicable appropriation or other law.

(b) Appropriations for the Department of Agriculture which are available for the purchase of land may be expended for options to purchase land: *Provided,* That not to exceed $1 may be expended for each option to purchase any particular tract or tracts of land unless otherwise provided in appropriation or other law.

SEC. 12. Under such regulations as may be prescribed by the Secretary of Agriculture, funds available to the De-

partment of Agriculture may be used for the payment of transportation expenses and per diem in lieu of subsistence expenses, in accordance with the Travel Expense Act of 1949, for travel between places of recruitment and duty, and while at places of duty, of persons appointed for temporary or seasonal services in inspection, classing or grading agricultural commodities.

SEC. 13. There is hereby established a working capital fund which shall be available without fiscal year limitation for expenses necessary, including the purchase or construction of buildings and improvements within the limitations thereon set forth in the appropriations for the Forest Service, for furnishing supply and equipment services in support of programs of the Forest Service. The Secretary of Agriculture is authorized to transfer to the fund, without reimbursement, and to capitalize in the fund at fair and reasonable values, such receivables, inventories, equipment, and other assets as he may determine, and assume the liabilities in connection with such assets, but such capitalization shall not exceed $25,000,000: *Provided*, That the fund shall be credited with advance payments in connection with firm orders and reimbursements from appropriations and funds of the Forest Service, other departmental and Federal agen-

cies, and from other sources, as authorized by law, at rates approximately equal to the cost of furnishing the facilities and service.

Passed the House of Representatives July 23, 1956.

Attest: RALPH R. ROBERTS,

*Clerk.*

84TH CONGRESS
2D SESSION

# H. R. 11682

## AN ACT

To facilitate the control and eradication of certain animal diseases, to facilitate the carrying out of agricultural and related programs, to facilitate the agricultural attaché program, to facilitate the operations of the Farmers' Home Administration, the Federal Crop Insurance Corporation, and the Forest Service, and for other purposes.

JULY 24 (legislative day, JULY 16), 1956
Read twice and referred to the Committee on Agriculture and Forestry

Calendar No. 2860

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2811

# DEPARTMENT OF AGRICULTURE ORGANIC ACT

JULY 26 (legislative day, JULY 16), 1956.—Ordered to be printed

Mr. CLEMENTS (for Mr. ELLENDER), from the Committee on Agriculture and Forestry, submitted the following

## REPORT

[To accompany H. R. 11682]

The Committee on Agriculture and Forestry, to whom was referred the bill (H. R. 11682) to facilitate the control and eradication of certain animal diseases, to facilitate the carrying out of agricultural and related programs, to facilitate the agricultural attachés program, to facilitate the operations of the Farmers' Home Administration, the Federal Crop Insurance Corporation, and the Forest Service, and for other purposes, having considered the same, report thereon with a recommendation that it do pass without amendment.

This bill provides permanent authorizing legislation for many activities heretofore authorized by appropriation act, thereby removing a ground for parliamentary objection to future appropriation acts. In addition, sections 4 and 5 extend to all agencies of the Department of Agriculture provisions heretofore applied only to the Forest Service and the Soil Conservation Service; section 8 provides authority for expenditures to extend courtesies to representatives of foreign governments, section 12 provides for travel expenses and per diem in lieu of subsistence in certain cases for temporary and seasonal classes and graders of agricultural commodities, and section 16 provides a working capital fund for the Forest Service.

The bill is more fully explained in the attached report of the House Committee on Agriculture.

[H. Rept. No. 2732, 84th Cong., 2d sess.]

The Committee on Agriculture, to whom was referred the bill (H. R. 11682) to facilitate the control and eradication of certain animal diseases, to facilitate the carrying out of agricultural and related programs, to facilitate the agricultural attaché program, to facilitate the operations of the Farmers' Home Administration, the Federal Crop Insurance Corporation, and the Forest Service, and for

other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill do pass.

The amendments are as follows:

Page 2, line 19, after "District of Columbia" insert ", Puerto Rico,".

Page 8, line 3, strike out the numeral 14 and insert the numeral 13.

## GENERAL STATEMENT

The Organic Act of the Department of Agriculture, enacted May 15, 1862 (sec. 520 Rev. Stat.; 5 U. S. C. 511), provides that the general design and duties of the Department of Agriculture shall be to acquire and diffuse among the people useful information on subjects connected with agriculture "in the most general and comprehensive sense of that word." Many of the appropriations for the Department of Agriculture are supported by this organic law. However, from time to time there have been included in the appropriation acts a number of provisions legislative in character, some of which have been substantive and others, perhaps the majority, have been of a facilitating or incidental nature.

In 1944, this committee reviewed the Department of Agriculture Appropriation Act and proposed, and there was enacted into law, the Department of Agriculture Organic Act of 1944 (58 Stat. 734), to provide basic authority for the provisions concerned. Since that time a number of facilitating provisions important to the effective operation of the Department's programs have been inserted in the annual appropriation acts. Recognizing that these additional legislative provisions may be necessary, the committee has scrutinized the appropriation acts for the Department of Agriculture with a view to providing such permanent legislative authorities as are needed, adopting for this purpose the approach taken when the Department of Agriculture Organic Act of 1944 was enacted. Most of the provisions in the bill H. R. 11682 relate to authorities which appear in the Department of Agriculture and Farm Credit Appropriation Act, 1957, and will provide legislative authority without change for provisions which have appeared in the appropriation act. Three of the items proposed—sections 8, 12, and 13—do not appear in the 1957 Appropriation Act. However, they fall within the general scope of the subject matter of the bill and have therefore been included.

## ANALYSIS OF THE BILL

*Section 1. Short title*

Section 1 provides that the act may be cited as "The Department of Agriculture Organic Act of 1956."

*Section 2. Eradication and control of diseases of animals and poultry*

Existing basic authority (act of May 29, 1884, as amended) provides for payment of claims for the destruction of animals and poultry affected by or exposed to diseases, but makes no provision of payment for the destruction of material affected by or exposed to such diseases. The appropriation act includes authority for the payment of claims growing out of destruction of such materials.

Section 2 of the bill amends the basic 1884 act to authorize payment for such materials. Section 2 also revises slightly the language of section 11 of the 1884 act for editorial clarity.

*Section 3. Extension of facilitating authorities for animal disease eradication activities*

The act of February 28, 1947 (21 U. S. C. 114 b–d), relating to foot-and-mouth eradication and control work in Mexico, provides authority for facilitating such work. The principal authorities involved are: (1) Expenditures for printing and binding at places other than the Government Printing Office, (2) the purchase or hire of passenger motor vehicles and aircraft to meet emergencies without reference to existing limitations, and (3) the construction and operation of research laboratories, quarantine stations, and other buildings and facilities. The appropriation act extends these facilitating authorities to certain animal disease control and eradication activities conducted under section 11 of the act of May 29, 1884, as amended.

Section 3 of the bill amends the 1947 act to make these facilitating authorities available in the conduct of programs relating to diseases which, in the opinion of the Secretary, constitute an emergency and threaten the livestock industry of the country.

*Section 4. Expenses of advisory committees*

Appropriation acts for several years have authorized the Forest Service to pay the travel expenses of advisory councils or similar groups. This provision was inserted in appropriation acts to enable the Forest Service to pay the expenses of advisory committees or councils which advised the Forest Service on the administration of national forest lands. There is need from time to time for similar authority for other agencies of the Department. Section 4 of the bill provides that funds of the Department shall be available for expenses of advisory committees, including traveling expenses. This section overcomes the provisions of the act of March 4, 1909 (39 U. S. C. 673), prohibiting the payment of expenses of committees.

*Section 5. Subsistence to employees under emergency conditions*

Appropriation acts for several years have authorized the Soil Conservation Service to furnish subsistence to employees without reimbursement or consideration of the value of such subsistence in fixing the employee's salary. This authority in the appropriation acts has been used in the Soil Conservation Service in connection with its snow surveys. Shelters are stocked with foods that may be used in th event that emergency conditions prevent employees from returning to headquarters.

Section 5 of the bill provides basic authority which will enable the Department to furnish subsistence to employees, without deduction from their pay, where warranted by emergency conditions connected with the work, under such regulations as the Secretary may prescribe. This would not change the normal procedures under the act of March 5, 1928 (5 U. S. C. 75a), under which the value of quarters and subsistence furnished employees is deducted from their pay or considered in fixing their compensation.

*Section 6 (a). Payment on certificate of claimant under the agricultural conservation program*

The appropriation acts for many years have included authority for payments to a farmer on his certification that he has carried out the conservation practices and has complied with all other requirements

for such payment. This provision varies the procedure prescribed in the certifying officers statute. Section 6 (a) of the bill amends section 14 of the Soil Conservation and Domestic Allotment Act (16 U. S. C. 590n) so as to make this authority permanent legislation.

*Section 6 (b). State committee approval of agricultural conservation practices*

Section 8 (d) of the Soil Conservation and Domestic Allotment Act (16 U. S. C. 590h (d)) provides that agricultural conservation payments shall be conditioned upon utilization of land in conformity with farming practices which the Secretary of Agriculture determines to effectuate any one or more of the purposes set forth in section 7 (a) of the act.

Since 1945, the appropriation acts have provided that the payments shall be conditioned upon the utilization of land in accordance with practices determined and approved by the State committees appointed pursuant to section 8 (b) of the act. Under this provision of the appropriation act, the State committee selects those practices in its State from those provided in the national program as the committee deems to be best adapted to local conditions. Thus the appropriation provision places in the State committees authority placed by substantive law in the Secretary. Section 6 (b) of the bill makes this appropriation provision permanent legislation.

*Section 6 (c). Allotments to other agencies for technical services in the agricultural conservation program*

Section 6 (c) of the bill amends section 11 of the Soil Conservation and Domestic Allotment Act to authorize transfer of funds to local public agencies in addition to the transfer to Federal or State agencies as presently authorized. It also provides that transfer of funds for services of technicians in formulating and carrying out agricultural programs from allotments for agricultural conservation payments within the State shall be subject to such limitations and conditions as may be provided in the appropiation or other law. Furthermore, this amendment provides that transferred funds may be placed in a single account for each State. These provisions are intended to make permanent the provisions of the 1957 Appropriation Act and to authorize the insertion in appropriation acts of such limitations and conditions on the transfer of funds for services of technicians as may from time to time be deemed by the Congress to be necessary. At present the appropriation act requires that transfers of funds be made on recommendation of the locally elected county committee and on the approval of the State committee.

*Section 7. Administrative expense limitation for the National and State offices under the agricultural adjustment programs*

Section 7 authorizes appropriations for administrative expenses of National and State offices under section 392 of the Agricultural Adjustment Act of 1938 as may be provided by the appropriation act or other law. In view of the fact that the nature of the programs carried out changes from time to time, it is necessary to provide for more flexibility in the consideration of the budget for these programs. The bill authorizes the Appropriations Committee to report and the Congress to pass such sums as may be necessary. The need for this

legislation is demonstrated by the 1957 appropriation for this items which is in excess of the existing percentage limitation specified in the basic law.

*Section 8. Representation allowances*

Section 8 of the bill amends section 606 of title VI of the Agriculture Act of 1954 (7 U. S. C. 1766) relating to agricultural attachés to permit the use of funds available for the purpose of that act to be used for extending courtesies to representatives of foreign countries as provided in appropriations or other law. This language would extend to a limited number of top officials in the Department in the United States the same type of authority which is presently available to agriculture attachés stationed in foreign countries and which is presently available to several agencies of the Government; that is, the authority to use funds for the payment of expenses of necessary official entertainment and other courtesies to representatives of foreign countries in the United States.

*Section 9 (a). Allocation of farm-ownership loans to States*

Section 4 of the Farmers' Home Administration Act of 1946 (7 U. S. C. 1004) requires the distribution of farm-ownership loans to be based on farm population and prevalence of tenancy in each State, except that there may be distributed to each State such amounts as are necessary to meet the needs of veterans.

Since 1951 appropriation acts have provided that not to exceed certain stated amounts may be distributed to States without regard to the basic formula for loans in reclamation projects and to entrymen on unpatented public land. Section 9 (a) of the bill incorporates in permanent law the provision authorizing the distribution of funds, in addition to the amount otherwise distributed, for loans in reclamation projects and to entrymen on unpatented public lands in such amounts as may be provided in applicable appropriations.

*Section 9 (b). Single account for Farmers' Home Administration administrative funds*

Appropriation acts for several years have authorized, in the interest of simplifying operations, the transfer of specific amounts from the farm tenant mortgage insurance fund to the appropriation for salaries and expenses for the Farmers' Home Administration, thus making available for expenses in connection with all programs administered under the appropriation "Salaries and expenses, Farmers' Home Administration" moneys which by basic law are available only for expenses in connection with the mortgage insurance program. Since as a practical matter these funds are not sufficient for administrative expenses of administering the mortgage insurance program, the change is to simplify budget and accounting operations. Section 9 (b) of the bill provides for the placing of all funds of the Farmers' Home Administration available for administrative expenses in a single account when authorized by appropriation or other law, thus providing legislative support for the present appropriation act language.

*Section 10. Definition of administrative expenses of Federal Crop Insurance Corporation and payment from premium income*

Section 10 of the bill amends section 516 of the Federal Crop Insurance Act (7 U. S. C. 1516 (a)) by adding to the list of costs which

may be considered as nonadministrative or nonoperating, the direct cost of loss adjusters for crop inspections and loss adjustment. It also amends section 516 (a) by authorizing the use of premium income for administrative and operating costs within limits prescribed by the applicable appropriation. Similar provisions have been carried in the appropriation acts.

Direct costs of loss adjustment are generally considered to be nonadministrative expenses and are usually paid from premium income. The proposal to use a portion of premium income for administrative expenses is desirable in order to have sufficient flexibility in funds needed to cover sales cost. The cost of new sales is extremely variable since it is difficult to estimate in advance just what the volume of business will be. Thus, the proposed section would provide the needed flexibility and permit more effective operations.

*Section 11 (a). Acquisition of land*

Section 11 (a) authorizes the Department to acquire land by purchase, exchange, or otherwise when so provided in the applicable appropriation or other law. Some agencies of the Department have basic authority to acquire land when required in the conduct of their programs. From time to time it is necessary for other agencies to acquire land, particularly in connection with research activities. For instance, the 1957 Appropriation Act contains authority for the Agricultural Research Service to acquire land. The proposed section would not affect in any way existing authorities for the acquisition of land.

*Section 11 (b). Options to acquire land*

Section 11 (b) authorizes the Department to use appropriations available for purchase of land for the payment of options for land purchases at not to exceed $1 for each option. The annual appropriation act has included such authority for many years. The Comptroller General has held that funds are not available for the cost of options in the absence of specific statutory authority. Provision is also made for paying more than $1 for an option when authorized by appropriation or other law.

*Section 12. Travel expenses of personnel engaged in inspection, classing and grading of agricultural commodities*

This section authorizes the Secretary of Agriculture to provide for payment of travel expenses of persons appointed for temporary or seasonal services in the inspection, classing, and grading of agricultural commodities in situations where travel expenses may not be paid by the Government under existing law. This authority is needed to continue the effectiveness and integrity of the service and to meet heavy, seasonal, or temporary demands. Authority for payment for travel between places of recruitment and places of duty and return, as well as travel and per diem at places of duty, is needed in order to continue to provide effective inspection, grading, and classing services on a seasonal temporary basis. Employees are, in many instances, recruited at distant points and official headquarters and duty stations are frequently changed. Because of distances involved and the short duration of employment, many refuse employment if required to pay their own travel expenses in traveling to the place of seasonal or temporary employment, in maintaining a second residence, or in com-

muting substantial distances while working on a temporary or seasonal basis away from home, and in returning home when the assignment has been completed.

*Section 13. Working capital fund, Forest Service*

Section 13 of the bill establishes a working capital fund to be available without fiscal-year limitation for furnishing supply and equipment services in support of the programs of the Forest Service. The Secretary of Agriculture is authorized to transfer to the fund without reimbursement and to capitalize in the fund such assets as he may determine but such capitalization shall not exceed $25 million. This method of capitalization provides for the establishment of the fund without the necessity of an appropriation therefor. The fund will be credited with advance payments and reimbursements from appropriations of the Forest Service, other departments and agencies, and otherwise as is authorized by law for services and supplies furnished at rates approximately equal to the cost of furnishing the facilities and services. The fund is to be available for such supplies and services as the Forest Service is authorized to obtain by its various appropriations. In this connection the committee deemed it desirable to limit the cost of buildings and improvements to the amount provided in the yearly appropriations for the Forest Service. It is intended that this fund shall be available for any items of expense for which the appropriation seeking the service, supply, or equipment would otherwise be available.

There is a definite need for this fund principally to provide an efficient and orderly method of financing and accounting for the various service operations serving many programs concurrently. Fire protection, timber utilization, construction and maintenance of roads, and other programs, conservation and research, cooperative assistance to States, farmers, and forest-land owners, are in a brief list of the numerous activities for which centralized funding would be desirable. This funding would permit an orderly stocking of supplies without the necessity of making large purchases for a particular program and the subsequent disposal of the supplies when such a program terminates. Certain fire fighting and other specialized program equipment may not generally be obtained on a rental basis. Also, there are seasonal and periodic uses of motorized and other program equipment which more efficiently could be provided on a common-use basis. Most of the services are now financed initially from one appropriation somewhat arbitrarily selected, with the resultant creation of difficulties in accounting for the use of such funds.

## CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman) :

Section 11 of the Act of May 29, 1884, as added September 21, 1944 (58 Stat. 334), and amended October 30, 1951 (65 Stat. 693), and August 8, 1953 (67 Stat. 493) (21 U. S. C. 114a), as amended by proposed section 2 :

The Secretary of Agriculture, either independently or in cooperation with States or political subdivisions thereof, farmers' associations and similar organizations, and individuals, is authorized to control and eradicate tuberculosis and paratuberculosis of animals, avian tuberculosis, brucellosis of domestic animals, southern cattle ticks, hog cholera and related swine diseases, scabies in sheep and cattle, dourine in horses, scrapie and blue tongue in sheep, incipient or potentially serious minor outbreaks of diseases of animals, and contagious or infectious diseases of animals (such as foot-and-mouth disease, rinderpest, and contagious pleuropneumonia) which in the opinion of the Secretary constitute an emergency and threaten the livestock industry of the country, including the [purchase and destruction of diseased or exposed animals (including poultry), or the destruction of such animals and the payment of indemnities therefor,] *payment of claims growing out of destruction of animals (including poultry), and of materials, affected by or exposed to any such disease,* in accordance with such regulations as the Secretary may prescribe. As used in this section, the term "State" includes the District of Columbia, Puerto Rico, and the Territories and possessions of the United States.

Section 2 of the Act of February 28, 1947 (61 Stat. 7), as amended September 12, 1950; title III, section 301 (85) (64 Stat. 843) (21 U. S. C. 114c) as amended by proposed section 3:

For purposes of this Act *and section 11 of the Act of May 29, 1884, as added by the Act of September 21, 1944, insofar as said Act relates to diseases which in the opinion of the Secretary constitute an emergency and threaten the livestock industry of the country,* funds appropriated pursuant thereto may also be used for the purchase or hire of passenger motor vehicles and aircraft, for printing and binding without regard to section 87 of the Act of January 12, 1895, or section 11 of the Act of March 1, 1919 (U. S. C., title 44, sec. 111), for personnel services in the District of Columbia and elsewhere including the employment of civilian nationals of Mexico, and for the construction and operation of research laboratories, quarantine stations, and other buildings and facilities.

Section 14 of the Soil Conservation and Domestic Allotment Act as added by the Act of February 29, 1936 (49 Stat. 1151) (16 U. S. C. 590n), as amended by proposed section 6 (a):

The facts constituting the bases for any payment or grant or the amount thereof authorized to be made under section 7 or 8 hereof, when officially determined in conformity with rules or regulations prescribed by the Secretary of Agriculture, shall be reviewable only by the Secretary of Agriculture. *Payments to claimants under sections 7 to 17, inclusive, of this Act may be made upon the certificate of the claimant, which certificate shall be in such form as the Secretary of Agriculture may prescribe, that he has carried out the conservation practice or practices and has complied with all other requirements as conditions for such payments and that the statements*

*and information contained in the application for payment are correct and true, to the best of his knowledge and belief, under the penalties of title 18, United States Code.*

Section 11 of the Soil Conservation and Domestic Allotment Act as added by the Act of February 29, 1936 (49 Stat. 1150), and amended June 24, 1936 (49 Stat. 1915) (16 U. S. C. 590k), as amended by proposed section 6 (c):

All funds available for carrying out this Act shall be available for allotment to the bureaus and offices of the Department of Agriculture and for transfer to such other agenices of the Federal or State Governments, *or to local public agencies*, as the Secretary may request to cooperate or assist in carrying out this Act and for payments to committees or associations of producers in any region or regions to cover the estimated administrative expenses to be incurred by any such committee or association in cooperating in carrying out this Act: *Provided*, That the Secretary may prescribe that all or part of such estimated expenses of any such committee or association may be deducted pro rata from the payments or grants made to the members thereof: [*And*] *Provided further*, That the Secretary may make such payments in advance of determination of performance: *Provided further, That the transfer of funds for services of technicians in formulating and carrying out agricultural conservation programs, from allotments for agricultural conservation payments within a State, shall be subject to such limitations and conditions as may be provided in appropriation or other law. Funds so transferred may be placed in a single account for each State.*

Section 392 (b) of the Agricultural Adjustment Act of 1938 (52 Stat. 69) as amended January 31, 1942 (56 Stat. 41) (7 U. S. C. 1392 (b), as amended by proposed section 7:

## TITLE III—LOANS, PARITY PAYMENTS, CONSUMER SAFEGUARDS AND MARKETING QUOTAS

In the administration of this title and sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act, as amended, the aggregate amount expended in any fiscal year, beginning with the fiscal year ending June 30, 1942, for administrative expenses in the District of Columbia, including regional offices, and in the several States (not including the expenses of county and local committees) shall not exceed 3 per centum of the total amount available for such fiscal year for carrying out the purposes of this title and such Act, *unless otherwise provided by appropriation or other law.* In the administration of section 32 of the Act entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes," approved August 24, 1935 (49 Stat. 774), as amended, and the Agricultural Marketing Agreement Act of 1937, as amended, and those sections of the Agricultural Adjustment Act (of 1933), as amended, which were reenacted and amended by the Agricultural

Marketing Agreement Act of 1937, as amended, the aggregate amount expended in any fiscal year, beginning with the fiscal year ending June 30, 1942, for administrative expenses in the District of Columbia, including regional offices, and in the several States (not including the expenses of county and local committees) shall not exceed 4 per centum of the total amount available for such fiscal year for carrying out the purposes of said Acts, *unless otherwise provided by appropriation or other law.* In the event any administrative expenses of any county or local committee are deducted in any fiscal year, beginning with the fiscal year ending June 30, 1939, from Soil Conservation Act payments, parity payments, or loans, each farmer receiving benefits under such provisions shall be apprised of the amount or percentage deducted from such benefit payment or loan on account of such administrative expenses. The names and addresses of the members and employees of any county or local committee, and the amount of such compensation received by each of them, shall be posted annually in a conspicuous place in the area within which they are employed.

Section 4, title I, of the Bankhead-Jones Farm Tenant Act (50 Stat. 524) as amended August 14, 1946 (60 Stat. 1075), and August 23, 1951 (65 Stat. 197) (7 U. S. C. 1004), as amended by proposed section 9 (*a*):

TITLE I—TENANT PURCHASE LOANS AND MORTGAGE INSURANCE

In making loans under this title, the amount which is devoted to such purposes during any fiscal year shall be distributed equitably among the several States and Territories on the basis of farm population and the prevalence of tenancy as determined by the Secretary: *Provided*, That there may be distributed to each State such amounts as are necessary to finance loans pursuant to all bona fide applications from veterans qualified under section 1 hereof: *Provided further*, That there may be disbursed in any fiscal year to each State or Territory such amount not in excess of $100,000 as is determined by the Secretary to be necessary to finance loans in such State or Territory under this title: *Provided further, That there may be distributed to States and Territories such amounts as may be provided in applicable appropriations, in addition to the amount otherwise distributed thereto, for loans in reclamation projects and to entrymen on unpatented public lands.*

Section 516 (a) of the Federal Crop Insurance Act (52 Stat. 77) as amended June 21, 1941 (55 Stat. 255, 256) (7 U. S. C. 1516 (*a*)), as amended by proposed section 10:

There are hereby authorized to be appropriated such sums, not in excess of $12,000,000 for each fiscal year beginning after June 30, 1938, as may be necessary to cover the operating and administrative costs of the Corporation, which shall be allotted to the Corporation in such amounts and at such

time or times as the Secretary of Agriculture may determine: *Provided*, That expenses in connection with the purchase, transportation, handling, or sale of the agricultural commodity *and the direct cost of loss adjusters for crop inspections and loss adjustments* may be considered by the Corporation as being nonadministrative or nonoperating expenses. *The Corporation is authorized to use premium income for administrative and operating costs within limits prescribed in applicable appropriations.* For the fiscal year ending June 30, 1939, the appropriation authorized under this subsection is authorized to be made only out of the unexpended balances for the fiscal year ending June 30, 1938, of the sums appropriated pursuant to section 15 of the Soil Conservation and Domestic Allotment Act, as amended.

The following statutes, while not directly amended by the provisions of H. R. 11682, are affected by such provisions:

STATUTE AFFECTED BY PROPOSED SECTION 4

No part of the public moneys, or of any appropriation made by Congress, shall be used for the payment of compensation or expenses of any commission, council, board, or other similar body, or any members thereof, or for expenses in connection with any work or the results of any work or action of any commission, council, board, or other similar body, unless the creation of the same shall be or shall have been authorized by law; nor shall there be employed by detail, hereafter or heretofore made, or otherwise personal services from any executive department or other Government establishment in connection with any such commission, council, board, or other similar body. (Mar. 4, 1909, 31 U. S. C. 673.)

After January 1, 1945, no part of any appropriation or fund made available by this or any other Act shall be allotted or made available to, or used to pay the expenses of, any agency or instrumentality including those established by Executive order after such agency or instrumentality has been in existence for more than one year, if the Congress has not appropriated any money specifically for such agency or instrumentality or specifically authorized the expenditure of funds by it.

* * * * * * *

(June 27, 1944, 31 U. S. C. 696.)

STATUTE AFFECTED BY PROPOSED SECTION 5

The head of an executive department, or independent establishment, where, in his judgment, conditions of employment require it, may continue to furnish civilians employed in the field service with quarters, heat, light, household equipment, subsistence, and laundry service; and appropriations of the character used before March 5, 1928, for such purposes are made available therefor: *Provided*, That the reasonable value of such allowances shall be determined and considered as part of the compensation in fixing the salary rate of such civilians, (Mar. 5, 1928, 5 U. S. C. 75a.)

### Statute Also Affected by Proposed Section 6a

Notwithstanding the provisions of section 82 of this title, and section 4 of Executive Order Numbered 6166, dated June 10, 1933, disbursing officers under the executive branch of the Government shall (1) disburse moneys only upon, and in strict accordance with, vouchers duly certified by the head of the department, establishment, or agency concerned, or by an officer or employee thereof duly authorized in writing by such head to certify such vouchers; (2) make such examination of vouchers as may be necessary to ascertain whether they are in proper form, duly certified and approved, and correctly computed on the basis of the facts certified; and (3) be held accountable accordingly. (Dec. 29, 1941, 31 U. S. C. 82b.)

### Statute Affected by Proposed Section 6b

Any payment or grant of aid made under subsection (b) shall be conditioned upon the utilization of the land, with respect to which such payment is made, in conformtiy with farming practices which the Secretary finds tend to effectuate any one or more of the purposes specified in clause (1), (2), (3), (4), or (5) of section 7(a). (Sec. 8 (d) of the Soil Conservation and Domestic Allotment Act 16 U. S. C. 590h (d).)

### Statute Affected by Proposed Section 9b

The Secretary shall require the mortgagor or mortgagee of such initial fees for inspection, appraisal, and other charges as he finds necessary * * *. The proceeds of such fees shall be deposited in the Treasury for use for administrative expenses as provided in subsection (e) (2) of this section.

(1) The Secretary shall collect from the mortgagor for mortgage insurance an annual charge at the rate of one per centum of the outstanding principal obligation of the mortgage; * * *. (2) One-half of the amount paid as charges in pursuance of this subsection shall be the premium for insurance and shall be deposited in the fund [1] and may be used only for purposes to which the fund may be devoted. The other half of the amounts so paid shall be deposited in the Treasury to the credit of the Secretary and shall be available only for administrative expenses to carry out the provisions of section 1–5, 12–14 of this title, relating to mortgage insurance. (Sec. 12 (d), (e) of title I, Bankhead-Jones Farm Tenant Act, 7 U. S. C. 1005b (d) (e).)

One-half of all insurance charges [2] shall become a part of the Fund and one-half shall be deposited in the Treasury of the United States and shall be available for administrative expenses in connection with the insurance program authorized by sections 3–10 of this title. (Sec. 10 (c), the Act of August 28, 1937, as added by the Act of August 17, 1954, 16 U. S. C. 590x–3 (c), Supp. III.)

### Statute Affected by Proposed Section 11a

No land shall be purchased on account of the United States except under a law authorizing such purchase. (41 U. S. C. 14.)

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[1] Farm tenant-mortgage insurance funds.
[2] Insurance of loans for facilities for water storage and utilization.

STATUTE AFFECTED BY PROPOSED SECTION 11B

No advance of public money shall be made in any case unless authorized by the appropriation concerned or other law. And in all cases of contracts for the performance of any service, or the delivery of articles of any description, for the use of the United States, payment shall not exceed the value of the service rendered, or of the articles delivered previously to such payment * * * (Act of Aug. 2, 1946, 31 U. S. C. 529.)

STATUTE AFFECTED BY PROPOSED SECTION 14

No funds made available by this or any other Act shall be withdrawn from one appropriation account for credit to another, or to a working fund, except as authorized by law: *Provided*, That, except as otherwise specifically provided by law, any funds so withdrawn and credited shall be available for the same purposes, and subject to the same limitations, conditions, and restrictions, as provided by the Act appropriating such funds: *Provided further*, That any such withdrawal and credit shall be made, without warrant action, by check: *Provided further*, That no funds withdrawn and credited pursuant to section 601 of the Act of June 30, 1932, as amended (47 Stat. 417; 31 U. S. C. 686), shall be available for any period beyond that provided by the Act appropriating such funds. (64 Stat. 765.)

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# Digest of CONGRESSIONAL PROCEEDINGS

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 27, 1956
For actions of July 26, 1956
84th-2nd, No. 129


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HIGHLIGHTS: Both houses adopted conference report on executive pay and retirement bill. House agreed to conference report on mutual security appropriation bill. House passed bill to provide for travel and transportation cost allowance for new appointees. House passed bill to authorize FCIC reinsurance in Puerto Rico. House agreed to conference report on second supplemental appropriation bill. House agreed to conference report on bill amending Social Security Act. House passed bill authorizing USDA to pay expenses of soil and water conservation advisory committee. House passed cranberries for canning and freezing marketing bill. House agreed to Senate amendments to military construction bill. House agreed to conference report on fisheries bill. Senate committee reported point-of-order bill. Senate passed, and cleared for President, Great Plains bill. Senate rejected conference report on second supplemental appropriation bill. Senate passed area redevelopment bill. Senate disagreed to House amendment to flood insurance bill. Senate passed grain-storage amortization bill. Senate agreed to resolution favoring water resource development.

## SENATE

1. POINT-OF-ORDER BILL. The Agriculture and Forestry Committee reported this bill (H. R. 11682) without amendment (S. Rept. 2811). p. 13358

2. GRAIN STORAGE; TAXATION. Passed with amendments H. R. 9083, to amend the Internal Revenue Code of 1954 to extend the period for amortization of grain-storage facilities. Conferees were appointed. pp. 13393, 13395

3. APPROPRIATIONS. At the request of Sen. Hayden and without debate, rejected the conference report on H. R. 12350, the second supplemental appropriation bill for 1957. Conferees were appointed for a further conference. p. 13450

4. AREA REDEVELOPMENT. Passed, by a vote of 60 to 30, with amendments S. 2663, to establish an effective program to alleviate conditions of excessive unemployment in certain economically depressed areas. pp. 13352, 13363

5. FLOOD INSURANCE. Disagreed to an amendment by the House to S. 3732, to provide for an insurance program against flood damage. Conferees were appointed. p. 13383

6. SOIL CONSERVATION. Passed without amendment H. R. 11833, to amend the Soil Conservation and Domestic Allotment Act and the Agricultural Adjustment Act of 1938, to provide for a Great Plains conservation program. This bill will now be sent to the President. p. 13408

7. LANDS. Passed with amendment S. 3957, to amend the act authorizing the exchange and amendment of certain farm units in order to limit the time during which applications may be made. p. 13416

8. NATURAL RESOURCES. Agreed to, as reported, S. Res. 281, expressing the sense of the Senate regarding executive policy in connection with water resources development, etc. p. 13418

Sen. Goldwater inserted an discussed an article relative to the natural resource policies of the Administration. p. 13326

Sen. Goldwater defended the natural resource policies of the Interior Department. p. 13327

9. FLOOD CONTROL. Passed with amendment H. R. 12080, authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and other purposes. Conferees were appointed. pp. 13328, 13340

10. PERISHABLE COMMODITIES. Sen. Magnuson inserted his statement concerning the shipments of certain perishable and other commodities in interstate commerce. p. 13365

11. FARM LABOR. Considered, but took no action on, H. R. 6888, providing for the admission into the U. S. of certain aliens skilled in sheepherding. p. 13351

12. INSECTS. Sen. Holland inserted a telegram from the Governor of Fla., announcing the appropriation of $5 million by the State to match the Federal appropriation for the Mediterranean fruitfly eradication program. p. 13381

13. SEEDS. Passed with amendment H. R. 9396, to amend the Tariff Act of 1930 to place guar seed on the free list. p. 13390

14. TARIFF SCHEDULES. Passed without amendment H. R. 12254, to provide additional time for the Tariff Commission to review the customs tariff schedules. This bill will now be sent to the President. p. 13392

15. LEASES; CONTRACTS. Concurred in a House amendment to S. 4058, to authorize the Secretary of Agriculture to extend and renew to a railroad company for 10 years a lease of a tract of land in the USDA Range Livestock Experiment Station, in Montana. This bill will now be sent to the President. p. 13402

Calendar No. 2860

84TH CONGRESS
2D SESSION

# H. R. 11682

[Report No. 2811]

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IN THE SENATE OF THE UNITED STATES

JULY 24 (legislative day, JULY 16), 1956
Read twice and referred to the Committee on Agriculture and Forestry

JULY 26 (legislative day, JULY 16), 1956
Reported by Mr. CLEMENTS (for Mr. ELLENDER), without amendment

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# AN ACT

To facilitate the control and eradication of certain animal diseases, to facilitate the carrying out of agricultural and related programs, to facilitate the agricultural attaché program, to facilitate the operations of the Farmers' Home Administration, the Federal Crop Insurance Corporation, and the Forest Service, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Department of Agriculture Organic Act of 1956".

SEC. 2. Section 11 of the Act of May 29, 1884, as added by the Act of September 21, 1944 (21 U. S. C. 114a),

and as amended, is hereby further amended to read as follows:

"SEC. 11. The Secretary of Agriculture, either independently or in cooperation with States or political subdivisions thereof, farmers' associations and similar organizations, and individuals, is authorized to control and eradicate tuberculosis and paratuberculosis of animals, avian tuberculosis, brucellosis of domestic animals, southern cattle ticks, hog cholera and related swine diseases, scabies in sheep and cattle, dourine in horses, scrapie and blue tongue in sheep, incipient or potentially serious minor outbreaks of diseases of animals, and contagious or infectious diseases of animals (such as foot-and-mouth disease, rinderpest, and contagious pleuropneumonia) which in the opinion of the Secretary constitute an emergency and threaten the livestock industry of the country, including the payment of claims growing out of destruction of animals (including poultry), and of materials, affected by or exposed to any such disease, in accordance with such regulations as the Secretary may prescribe. As used in this section, the term 'State' includes the District of Columbia, Puerto Rico, and the Territories and possessions of the United States."

SEC. 3. Section 2 of the Act of February 28, 1947 (21 U. S. C. 114c) is hereby amended by inserting, immediately following the word "Act" where it first appears therein

the following: "and section 11 of the Act of May 29, 1884, as added by the Act of September 21, 1944, insofar as said Act relates to diseases which in the opinion of the Secretary constitute an emergency and threaten the livestock industry of the country".

SEC. 4. Funds available for carrying out the activities of the Department of Agriculture shall be available for expenses of advisory committees, including travel expenses in accordance with the provisions of section 5 of the Administrative Expenses Act of 1946, as amended.

SEC. 5. The Department of Agriculture is authorized to furnish subsistence to employees without consideration as, or deduction from, the compensation of such employees where warranted by emergency condition connected with the work under such regulations as the Secretary of Agriculture may prescribe.

SEC. 6. (a) Section 14 of the Soil Conservation and Domestic Allotment Act (as added by the Act of February 29, 1936 (16 U. S. C. 590n)), is amended by adding at the end thereof the following: "Payments to claimants under sections 7 to 17, inclusive, of this Act may be made upon the certificate of the claimant, which certificate shall be in such form as the Secretary of Agriculture may prescribe, that he has carried out the conservation practice or practices and has complied with all other requirements as condi-

tions for such payments and that the statements and information contained in the application for payment are correct and true, to the best of his knowledge and belief, under the penalties of title 18, United States Code."

(b) Payments of grants under sections 7 to 17 of the Soil Conservation and Domestic Allotment Act, as amended, may be conditioned upon the utilization of land with respect to which such payments or grants are to be made in conformity with farming practices which will encourage and provide for soil-building and soil- and water-conserving practices in the most practical and effective manner and adapted to conditions in the several States, as determined and approved by the State committees appointed pursuant to section 8 (b) of such Act, for the respective States.

(c) Section 11 of the Soil Conservation and Domestic Allotment Act, as amended (16 U. S. C. 590k), is amended to read as follows:

"SEC. 11. All funds available for carrying out this Act shall be available for allotment to the bureaus and offices of the Department of Agriculture and for transfer to such other agencies of the Federal or State Governments, or to local public agencies, as the Secretary may request to cooperate or assist in carrying out this Act, and for payments to committees or associations of producers in any region or regions to cover the estimated administrative expenses to

be incurred by any such committee or association in co-operating in carrying out this Act: *Provided*, That the Secretary may prescribe that all or part of such estimated expenses of any such committee or association may be deducted pro rata from the payments or grants made to the members thereof: *Provided further*, That the Secretary may make such payments in advance of determination of performance: *Provided further*, That the transfer of funds for services of technicians in formulating and carrying out agricultural conservation programs, from allotments for agricultural conservation payments within a State, shall be subject to such limitations and conditions as may be provided in appropriation or other law. Funds so transferred may be placed in a single account for each State."

SEC. 7. Section 392 (b) of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 139 (b), is amended by changing the period at the end of the first sentence to a comma and adding the words "unless otherwise provided by appropriation or other law." and by changing the period at the end of the second sentence to a comma and adding the words "unless otherwise provided by appropriation or other law.".

SEC. 8. Section 606 of title VI of the Agricultural Act of 1954 (7 U. S. C. 1766) is amended by adding at the

end thereof the following: "Funds available for the purposes of this Act may be used for extending courtesies to representatives of foreign countries, when so provided in appropriation or other law."

SEC. 9. (a) Section 4 of the Act of July 22, 1937, as amended (7 U. S. C. 1004), is hereby amended by inserting before the period at the end thereof the following: ": *Provided further*, That there may be distributed to States and Territories such amounts as may be provided in applicable appropriations, in addition to the amount otherwise distributed thereto, for loans in reclamation projects and to entrymen on unpatented public lands".

(b) When authorized by appropriation or other law, funds of the Farmers' Home Administration available for administrative expenses may be placed in a single account.

SEC. 10. Section 516 (a) of the Federal Crop Insurance Act, as amended (7 U. S. C. 1516 (a)), is amended to read as follows:

"(a) There are hereby authorized to be appropriated such sums, not in excess of $12,000,000 for each fiscal year beginning after June 30, 1938, as may be necessary to cover the operating and administrative costs of the Corporation, which shall be allotted to the Corporation in such

amounts and at such time or times as the Secretary of Agriculture may determine: *Provided,* That expenses in connection with the purchase, transportation, handling, or sale of the agricultural commodity and the direct cost of loss adjusters for crop inspections and loss adjustments may be considered by the Corporation as being nonadministrative or nonoperating expenses. The Corporation is authorized to use premium income for administrative and operating costs within limits prescribed in applicable appropriations."

SEC. 11. (a) The Department of Agriculture is authorized to acquire land, or interest therein, by purchase, exchange or otherwise, as may be necessary to carry out its authorized work: *Provided,* That no acquisition shall be made under this authority unless provision is made therefor in the applicable appropriation or other law.

(b) Appropriations for the Department of Agriculture which are available for the purchase of land may be expended for options to purchase land: *Provided,* That not to exceed $1 may be expended for each option to purchase any particular tract or tracts of land unless otherwise provided in appropriation or other law.

SEC. 12. Under such regulations as may be prescribed by the Secretary of Agriculture, funds available to the De-

partment of Agriculture may be used for the payment of transportation expenses and per diem in lieu of subsistence expenses, in accordance with the Travel Expense Act of 1949, for travel between places of recruitment and duty, and while at places of duty, of persons appointed for temporary or seasonal services in inspection, classing or grading agricultural commodities.

SEC. 13. There is hereby established a working capital fund which shall be available without fiscal year limitation for expenses necessary, including the purchase or construction of buildings and improvements within the limitations thereon set forth in the appropriations for the Forest Service, for furnishing supply and equipment services in support of programs of the Forest Service. The Secretary of Agriculture is authorized to transfer to the fund, without reimbursement, and to capitalize in the fund at fair and reasonable values, such receivables, inventories, equipment, and other assets as he may determine, and assume the liabilities in connection with such assets, but such capitalization shall not exceed $25,000,000: *Provided,* That the fund shall be credited with advance payments in connection with firm orders and reimbursements from appropriations and funds of the Forest Service, other departmental and Federal agen-

cies, and from other sources, as authorized by law, at rates approximately equal to the cost of furnishing the facilities and service.

Passed the House of Representatives July 23, 1956.

Attest: RALPH R. ROBERTS,

*Clerk.*

Calendar No. 2860

84TH CONGRESS
2D SESSION

# H. R. 11682

[Report No. 2811]

# AN ACT

To facilitate the control and eradication of certain animal diseases, to facilitate the carrying out of agricultural and related programs, to facilitate the agricultural attaché program, to facilitate the operations of the Farmers' Home Administration, the Federal Crop Insurance Corporation, and the Forest Service, and for other purposes.

JULY 24 (legislative day, JULY 16), 1956
Read twice and referred to the Committee on Agriculture and Forestry

JULY 26 (legislative day, JULY 16), 1956
Reported without amendment

# H. R. 11682

[Report No. 2011]

## AN ACT

July 27, 1956

ture to release certain restrictions on the real property heretofore conveyed to the West Marks Baptist Church of Quitman, Miss. This bill will now be sent to the President. p. 13725

21. POINT-OF-ORDER BILL. Passed without amendment H. R. 11682, providing permanent legislation for various provisions heretofore authorized by appropriation acts, authorizing a Forest Service working capital fund, etc. This bill will now be sent to the President. p. 13636

22. POULTRY INSPECTION. Sen. Murray spoke in favor of mandatory poultry inspection and inserted a magazine article on this subject. p. 13628

Sen. Morse spoke in favor of such inspection and inserted an article on the matter. p. 13896

23. ELECTRIFICATION; RECLAMATION. Sen. Morse and Sen. Neuberger inserted articles favoring the Hells Canyon Dam. pp. 13897, 13625

24. FARM PROGRAM. Sen. Martin, Iowa, praisdd the Administration's farm policies and inserted his statement, "Fifty Facts for Farmers." p. 13773

25. PERSONNEL. Agreed to a concurrent resolution to correct certain clerical errors in H. R. 7619, the executive pay and retirement bill. p. 13775

26. EXPENDITURES; PERSONNEL. Sen. Byrd submitted the report of the Joint Committee on Reduction of Nonessential Federal Expenditures on Federal employment and pay for June. p. 13617

27. MINING CLAIMS. Concurred in the House amendments to S. 3941, relating to certain mining claims which were eligible for validation under the act of Aug. 12, 1953, but which were not validated solely because of failure of the owners to take certain action to protect their claims within the prescribed period. This bill will now be sent to the President. p. 13743

28. SURPLUS COMMODITIES. Sen. Stennis commended the program of using foreign currencies received from the sale of surplus agricultural commodities in the construction of foreign military family housing, and suggested the possibility of enlarging the program. p. 13709

29. MONOPOLIES. The Judiciary Committee reported with amendments H. R. 9424, to amend the Clayton Act by requiring prior notification of corporate mergers (S. Rept. 2817). p. 13616

The Small Business Committee submitted its report on the study of fair trade (S. Rept. 2819). p. 13617

30. BUDGET BUREAU. Both Houses passed without amendment S. J. Res. 199, to authorize an additional position of Assistant Director of the Bureau of the Budget (pp. 13734, 13937). This joint resolution had been reported by the Senate Post Office and Civil Service Committee without amendment earlier in the day (S. Rept. 2824)(p. 13616). This measure will now be sent to the President.

31. ELECTRIFICATION. Sen. Humphrey inserted a statement and commented on the extent of the Government's investment in hydroelectric public power. p. 13757

32. COTTON. Sen. Stennis inserted his statement concerning the problem of cotton textile imports. p. 13710

Oreg. This bill will now be sent to the President. An identical bill, H. R. 7726, was laid on the table. p. 13824

Passed without amendment S. 3227, to authorize the Little Wood River project, Idaho. This bill will now be sent to the President. Earlier in the day agreed to a resolution for consideration of H. R. 7850, a companion bill, which was then laid on the table. pp. 13837, 13910

10. REPORTS were received from the Government Operations Committee as follows:
Civil Defense and National Survival (H. Rept. 2946)
Availability of information from departments and agencies (H. Rept. 2947)
Improper use of Government equipment and personnel (H. Rept. 2948)
Federal role in aviation (H. Rept. 2949)
Purchase-resale transactions of Commodity Credit Corp. (H. Rept. 2952)
Operations of Federal Bureau of Public Roads (H. Rept. 2953). p. 13959

SENATE

11. MUTUAL SECURITY APPROPRIATION BILL, 1957. Agreed to the conference report on this bill, H. R. 12130. This bill will now be sent to the President. Sen. Hayden inserted a table showing the amounts in the bill as passed by the House and Senate and as agreed to in conference. p. 13788

12. APPROPRIATIONS. Sen. Hayden inserted a table reflecting the action of the House and Senate on the regular and supplemental appropriation bills in the 2nd session of the 84th Congress. p. 13790

13. FLOOD CONTROL. Both Houses received and agreed to the conference report on H. R. 12080, the omnibus Army flood control bill. This bill will now be sent to the President. p. 13777

14. HOUSING. Both Houses agreed to the conference report on H. R. 11742, to extend and amend housing laws, including farm housing provisions. This bill will now be sent to the President. pp. 13782, 13854, 13925

15. FLOOD INSURANCE. Both Houses agreed to the conference report on S. 3732, to provide insurance against flood damage. This bill will now be sent to the President. pp. 13788, 13934, 13872

16. SOCIAL SECURITY. Agreed to the conference report on H. R. 7225, the social security bill. This bill will now be sent to the President. p. 13791

17. FISHERIES; WILDLIFE. Agreed to the conference report on S. 3275, the fisheries-wildlife bill (see item 4 above). This bill will now be sent to the President. p. 13637

18. FARM LABOR. Passed with amendment H. R. 6888, providing for admission into the U. S. of certain aliens skilled in sheepherding. p. 13680

19. PROPERTY; TAXATION. Debated, but did not take final action on, S. 4183, to authorize payment to local governments of sums in lieu of taxes and special assessments with respect to certain Federal real property. pp. 13712, 13718, 13731, 13733, 13735, 13743, 13762

20. LAND TRANSFER. Agreed to the House amendment to S. 2585, authorizing exchange of land at the Beltsville Research Center. The amendment exempts the Coneross watershed project, S. C., from congressional review. This bill will now be sent to the President. p. 13709

Passed without amendment H. R. 9640, to require the Secretary of Agricul-

President of a Federal representative to the compact negotiations.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. HAYDEN. Mr. President, the original boundary between Arizona and California was the Colorado River as it existed at the time of the creation of the Territory of Arizona in 1864. The river has meandered a great many degrees in many places. It was determined that it would be necessary for the two States to come to an agreement with reference to determining the present boundary. The two States appointed commissions authorized by their State legislatures. The commissions made certain findings which have been ratified by the legislatures; but to make the findings effective the Constitution requires approval by Congress. The bill provides approval of the formal action taken by the two States.

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). The bill is open to amendment.

If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H. R. 11911) was ordered to a third reading, read the third time, and passed.

## INTERCORPORATE RELATIONS BETWEEN GENERAL PUBLIC UTILITIES CORP. AND MANILA ELECTRIC CO.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 2841, House bill 10624.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 10624) relating to intercorporate relations between the General Public Utilities Corp., a corporation organized and operating in the United States, and the Manila Electric Co.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. DUFF. Mr. President, the purpose of this bill, H. R. 10624, is to permit the General Public Utilities Corp., a corporation organized and operating in the United States, to continue to operate and manage the Manila Electric Co., its subsidiary. The latter company has been continuously operated as a subsidiary prior to 1935, when the Public Utility Holding Company Act was enacted.

The Philippine Government, itself supports this bill. The Department of State supports the bill. The International Cooperation Administration supports the bill.

In supporting this proposed legislation, the Philippine Government has taken the position that a sale of the Manila Electric Co. would be detrimental to the Philippine economy.

The Department of State supports this proposal on the grounds that the very creditable performance of the Manila Electric Co. under its present ownership "advances the foreign economic policy of the United States by giving practical demonstration to foreign countries of the advantages which accrue to such countries through the investment of American capital."

The International Cooperation Administration is of the belief that the enactment of this bill would be in conformity with the objectives of the Mutual Security Act of 1954, as amended.

The Bureau of the Budget has no objection to the passage of this legislation.

The Securities and Exchange Commission alone has indicated its opposition to this legislation, merely on the ground that this bill, if enacted, would represent a deviation from a present technical provision of the Public Utility Holding Company Act of 1935. The deviation, it is charged, springs from the fact that the additional integrated public-utility system here sought to be retained by General Public Utilities Corp. is located in the Philippines, a country not contiguous to our own. Otherwise, there is neither deviation nor objection.

The substance of the Commission's objection is predicated, not upon any inherent possible considerations arising out of the simultaneous operation of more than one integrated public utility system, but merely upon the fact that one of the systems is located in the Philippines, and hence not contiguous to our own country, where a domestic integrated public-utility system is being operated by the General Public Utilities Corp.

Considering the technical objection of the Securities and Exchange Commission, on the one hand, as against the substantive considerations advanced in support of the legislation, on the other, it is my opinion, Mr. President, that this bill is meritorious, deserves support, and should be enacted. The bill was passed unanimously in the House, and was reported from our committee without dissent.

For these reasons, Mr. Chairman, I recommend the passage of this legislation.

The PRESIDING OFFICER. If there is no amendment to be proposed, the question is on the third reading of the bill.

The bill (H. R. 1064) was ordered to a third reading, read the third time, and passed.

## CLAIMS OF CERTAIN RELIGIOUS ORGANIZATIONS IN THE PHILIPPINE ISLANDS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent for the immediate consideration of Calendar No. 2862, House bill 6586.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 6586) to amend section 7 of the War Claims Act of 1948, with respect to claims of certain religious organizations functioning in the Philippine Islands.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 3, after the word "section", to insert "7."

Mr. JOHNSON of Texas. Mr. President, the purpose of the proposed legislation is to add a new subsection to the War Claims Act of 1948 (50 App. U. S. C., sec. 2006) to broaden the act to make cognizable claims by any religious organization functioning in the Philippines which is of the same denomination as a religious organiation functioning in the United States.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

## CONSTRUCTION OF BRIDGE ACROSS THE OHIO

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 2863, House bill 10468.

The PRESIDING OFFICER. The bill will be read by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 10468) creating the city of Lawrenceburg Bridge Commission, and authorizing the construction of a bridge across the Ohio River.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, House bill 10468, as amended, would create the city of Lawrenceburg Bridge Commission and authorize it to construct and operate a bridge, and to acquire and operate the existing ferry operating between Lawrenceburg, Ind., and Boone County, Ky. The Commission may fix and charge tolls for transit over such bridge, subject to the approval of the Secretary of the Army under the General Bridge Act of 1946, and may fix such rates of toll for the use of the ferry as it may deem proper with due regard to rates of toll for use of the bridge.

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H. R. 10468) was ordered to a third reading, read the third time, and passed.

## CONSTRUCTION OF BRIDGE ACROSS THE OHIO AT CANNELTON, IND.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the

Senate proceed to the consideration of Calendar No. 2864, House bill 10662.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 10662) creating the city of Cannelton Bridge Commission and authorizing a bridge across the Ohio River at or near Cannelton, Ind.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas for the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, House bill 10662 would create the City of Cannelton Bridge Commission and authorize it to construct and operate a bridge, and to acquire and operate the existing ferry operating between Cannelton, Ind., and Hawesville, Ky. The commission may fix and charge tolls for transit over such bridge and ferry, subject to the approval of the Secretary of the Army under the General Bridge Act of 1946.

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H. R. 10662) was ordered to a third reading, read the third time, and passed.

## DEPARTMENT OF AGRICULTURE ORGANIC ACT

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 2860, House bill 11682.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 11682) to facilitate the control and eradication of certain animal diseases, to facilitate the carrying out of agricultural and related programs, to facilitate the agricultural attaché program, to facilitate the operations of the Farmers' Home Administration, the Federal Crop Insurance Corporation, and the Forest Service, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request for the immediate consideration of the bill

There being no objection, the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a general statement concerning the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

This bill provides permanent authorizing legislation for many activities heretofore authorized by appropriation act, thereby removing a ground for parliamentary objection to future appropriation acts. In addition, sections 4 and 5 extend to all agencies of the Department of Agriculture provisions heretofore applied only to the Forest Service and the Soil Conservation Service; section 8 provides authority for expenditures to extend courtesies to representatives of foreign governments, section 12 provides for travel expenses and per diem in lieu of subsistence in certain cases for temporary and seasonal classes and graders of agricultural commodities, and section 16 provides a working capital fund for the Forest Service.

GENERAL STATEMENT

The Ogranic Act of the Department of Agriculture, enacted May 15, 1862 (sec. 520 Rev. Stat.; 5 U. S. C. 511), provides that the general design and duties of the Department of Agriculture shall be to acquire and diffuse among the people useful information on subjects connected with agriculture "in the most general and comprehensive sense of that word." Many of the appropriations for the Department of Agriculture are supported by this organic law. However, from time to time there have been included in the appropriation acts a number of provisiins legislative in character, some of which have been substantive and others, perhaps the majority, have been of a facilitating or incidental nature.

In 1944 this committee reviewed the Department of Agriculture Appropriation Act and proposed, and there was enacted into law, the Department of Agriculture Organic Act of 1944 (58 Stat. 734), to provide basic authority for the provisions concerned. Since that time a number of facilitating provisions important to the effective operation of the Department's programs have been inserted in the annual appropriation acts. Recognizing that these additional legislative provisions may be necessary, the committee has scrutinized the appropriation acts for the Department of Agriculture with a view to providing such permanent legislative authorities as are needed, adopting for this purpose the approach taken when the Department of Agriculture Organic Act of 1944 was enacted. Most of the provisions in the bill H. R. 11682 relate to authorities which appear in the Department of Agriculture and Farm Credit Appropriation Act, 1957, and will provide legislative authority without change for provisions which have appeared in the appropriation act. Three of the items proposed—sections 8, 12, and 13—do not appear in the 1957 Appropriation Act. However, they fall within the general scope of the subject matter of the bill and have therefore been included.

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H. R. 11682) was ordered to a third reading, read the third time, and passed.

## DIMINUTION, CONTROL, AND TREATMENT OF JUVENILE DELINQUENCY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 2813, Senate bill 4267.

The PRESIDING OFFICER. The bill will be read by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 4267) to provide for assistance to and cooperation with States in strengthening and improving State and local programs for the diminution, control, and treatment of juvenile delinquency.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, I have been requested to ask that the bill be temporarily laid aside.

Mr. President——

The PRESIDING OFFICER. The Senator from Texas has the floor.

## AMENDMENT OF CIVIL AERONAUTICS ACT OF 1938

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate resume the consideration of the unfinished business.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate resumed the consideration of the bill (S. 3914) to amend sections 801, 802, and 1102 of the Civil Aeronautics Act of 1938, as amended.

## IMPORTATION OF SWISS 17-JEWEL WATCHES

Mr. JOHNSON of Texas. Mr. President, the Senator from Florida [Mr. SMATHERS] desires to make a brief statement. I yield the floor for that purpose.

Mr. SMATHERS. Mr. President, there is one item of proposed legislation that I had hoped to see passed at the current session. Both the Senator from Georgia [Mr. GEORGE] and the Senator from Pennsylvania [Mr. MARTIN] have recently discussed this measure at meetings of the Senate Finance Committee, of which I have the honor to be a member; but for reasons to which I shall refer in a moment, it now seems unlikely that this measure can be enacted in the closing days of the current session.

I had hoped to see this measure passed, not only because of its own substantive importance, and not only because of the strong support of this measure by the Senator from Georgia, but also because of the interest that was taken in this matter by our beloved colleague, the late Alben W. Barkley.

The measure to which I refer has been introduced in the Senate by our colleague, the Senator from Pennsylvania [Mr. MARTIN] as S. 4157. At the request of the administration, a companion bill has been introduced in the House of Representatives on a bipartisan basis by Representative MILLS and Representative REED.

These bills are similar to, and designed to accomplish the same purpose as, a measure which was discussed on the floor of the Senate just a year ago by Senator Barkley. Speaking on the floor of the Senate on this same subject on July 30, 1955, Senator Barkley gave the following explanation of the proposed legislation which then was pending:

In recent years—in the past 2 or 3 years—a practice has developed in the Swiss watch industry, in cooperation with certain American importers, to bring into this country 17-jewel watches which have been so manufactured as to contain 4 concealed components into which jewels can be inserted—so that the watches come in as 17-jewel watches, on which there has to be paid only $3.15 tariff.

After those watches come into this country, the little plugs or metal pieces are removed,

# Public Law 979 - 84th Congress
## Chapter 950 - 2d Session
## H. R. 11682

## AN ACT

To facilitate the control and eradication of certain animal diseases, to facilitate the carrying out of agricultural and related programs, to facilitate the agricultural attaché program, to facilitate the operations of the Farmers' Home Administration, the Federal Crop Insurance Corporation, and the Forest Service, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That this Act may be cited as the "Department of Agriculture Organic Act of 1956". Department of Agriculture Organic Act of 1956.

SEC. 2. Section 11 of the Act of May 29, 1884, as added by the act of September 21, 1944 (21 U. S. C. 114a), and as amended, is hereby further amended to read as follows: 58 Stat. 734.

"SEC. 11. The Secretary of Agriculture, either independently or in cooperation with States or political subdivisions thereof, farmers' associations and similar organizations, and individuals, is authorized to control and eradicate tuberculosis and paratuberculosis of animals, avian tuberculosis, brucellosis of domestic animals, southern cattle ticks, hog cholera and related swine diseases, scabies in sheep and cattle, dourine in horses, scrapie and blue tongue in sheep, incipient or potentially serious minor outbreaks of diseases of animals, and contagious or infectious diseases of animals (such as foot-and-mouth disease, rinderpest, and contagious pleuropneumonia) which in the opinion of the Secretary constitute an emergency and threaten the livestock industry of the country, including the payment of claims growing out of destruction of animals (including poultry), and of materials, affected by or exposed to any such disease, in accordance with such regulations as the Secretary may prescribe. As used in this section, the term 'State' includes the District of Columbia, Puerto Rico, and the Territories and possessions of the United States." Control and eradication of diseases. 70 Stat. 1032. 70 Stat. 1033.

SEC. 3. Section 2 of the Act of February 28, 1947 (21 U. S. C. 114c) is hereby amended by inserting, immediately following the word "Act" where it first appears therein the following: "and section 11 of the Act of May 29, 1884, as added by the Act of September 21, 1944, insofar as said Act relates to diseases which in the opinion of the Secretary constitute an emergency and threaten the livestock industry of the country". 61 Stat. 7.

SEC. 4. Funds available for carrying out the activities of the Department of Agriculture shall be available for expenses of advisory committees, including travel expenses in accordance with the provisions of section 5 of the Administrative Expenses Act of 1946, as amended. Funds for expenses. 60 Stat. 808. 5 USC 73b-2.

SEC. 5. The Department of Agriculture is authorized to furnish subsistence to employees without consideration as, or deduction from, the compensation of such employees where warranted by emergency condition connected with the work under such regulations as the Secretary of Agriculture may prescribe. Emergency subsistence.

SEC. 6. (a) Section 14 of the Soil Conservation and Domestic Allotment Act (as added by the Act of February 29, 1936 (16 U. S. C. 590n)), is amended by adding at the end thereof the following: "Payments to claimants under sections 7 to 17, inclusive, of this Act may be made upon the certificate of the claimant, which certificate shall be in such form as the Secretary of Agriculture may prescribe, that he has carried out the conservation practice or practices and has complied with all other requirements as conditions for such payments and that the statements and information contained in the application for payment are correct and true, to the best of his knowledge and belief, under the penalties of title 18, United States Code." 49 Stat. 1151. 16 USC 590g et seq. 62 Stat. 683.

(b) Payments of grants under sections 7 to 17 of the Soil Conservation and Domestic Allotment Act, as amended, may be conditioned upon the utilization of land with respect to which such payments or grants are to be made in conformity with farming practices which will encourage and provide for soil-building and soil- and water-conserving practices in the most practical and effective manner and adapted to conditions in the several States, as determined and approved by the State committees appointed pursuant to section 8 (b) of such Act, for the respective States.

(c) Section 11 of the Soil Conservation and Domestic Allotment Act, as amended (16 U. S. C. 590k), is amended to read as follows:

Availability of funds.

"SEC. 11. All funds available for carrying out this Act shall be available for allotment to the bureaus and offices of the Department of Agriculture and for transfer to such other agencies of the Federal or State Governments, or to local public agencies, as the Secretary may request to cooperate or assist in carrying out this Act, and for payments to committees or associations of producers in any region or regions to cover the estimated administrative expenses to be incurred by any such committee or association in cooperating in carrying out this Act; *Provided*, That the Secretary may prescribe that all or part of such estimated expenses of any such committee or association may be deducted pro rata from the payments or grants made to the members thereof: *Provided further*, That the Secretary may make such payments in advance of determination of performance: *Provided further*, That the transfer of funds for services of technicians in formulating and carrying out agricultural conservation programs, from allotments for agricultural conservation payments within a State, shall be subject to such limitations and conditions as may be provided in appropriation or other law. Funds so transferred may be placed in a single account for each State."

70 Stat. 1033.
70 Stat. 1034.

SEC. 7. Section 392 (b) of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 139 (b)), is amended by changing the period at the end of the first sentence to a comma and adding the words "unless otherwise provided by appropriation or other law." and by changing the period at the end of the second sentence to a comma and adding the words "unless otherwise provided by appropriation or other law.".

52 Stat. 69.
7 USC 1392.

SEC. 8. Section 606 of title VI of the Agricultural Act of 1954 (7 U. S. C. 1766) is amended by adding at the end thereof the following: "Funds available for the purposes of this Act may be used for extending courtesies to representatives of foreign countries, when so provided in appropriation or other law."

68 Stat. 909.

SEC. 9. (a) Section 4 of the Act of July 22, 1937, as amended (7 U. S. C. 1004), is hereby amended by inserting before the period at the end thereof the following: ": *Provided further*, That there may be distributed to States and Territories such amounts as may be provided in applicable appropriations, in addition to the amount otherwise distributed thereto, for loans in reclamation projects and to entrymen on unpatented public lands".

50 Stat. 524.

(b) When authorized by appropriation or other law, funds of the Farmers' Home Administration available for administrative expenses may be placed in a single account.

SEC. 10. Section 516 (a) of the Federal Crop Insurance Act, as amended (7 U. S. C. 1516 (a)), is amended to read as follows:

52 Stat. 77.

"(a) There are hereby authorized to be appropriated such sums, not in excess of $12,000,000 for each fiscal year beginning after June 30, 1938, as may be necessary to cover the operating and administrative costs of the Corporation, which shall be allotted to the Corporation in such amounts and at such time or times as the Secretary of Agriculture

may determine: *Provided*, That expenses in connection with the purchase, transportation, handling, or sale of the agricultural commodity and the direct cost of loss adjusters for crop inspections and loss adjustments may be considered by the Corporation as being nonadministrative or nonoperating expenses. The Corporation is authorized to use premium income for administrative and operating costs within limits prescribed in applicable appropriations."

Acquisition of land.

SEC. 11. (a) The Department of Agriculture is authorized to acquire land, or interest therein, by purchase, exchange or otherwise, as may be necessary to carry out its authorized work: *Provided*, That no acquisition shall be made under this authority unless provision is made therefor in the applicable appropriation or other law.

(b) Appropriations for the Department of Agriculture which are available for the purchase of land may be expended for options to purchase land: *Provided*, That not to exceed $1 may be expended for each option to purchase any particular tract or tracts of land unless otherwise provided in appropriation or other law.

63 Stat. 166.
5 USC 835 note.

SEC. 12. Under such regulations as may be prescribed by the Secretary of Agriculture, funds available to the Department of Agriculture may be used for the payment of transportation expenses and per diem in lieu of subsistence expenses, in accordance with the Travel Expense Act of 1949, for travel between places of recruitment and duty, and while at places of duty, of persons appointed for temporary or seasonal services in inspection, classing or grading agricultural commodities.

Working capital fund.
70 Stat. 1034.
70 Stat. 1035.

SEC. 13. There is hereby established a working capital fund which shall be available without fiscal year limitation for expenses necessary, including the purchase or construction of buildings and improvements within the limitations thereon set forth in the appropriations for the Forest Service, for furnishing supply and equipment services in support of programs of the Forest Service. The Secretary of Agriculture is authorized to transfer to the fund, without reimbursement, and to capitalize in the fund at fair and reasonable values, such receivables, inventories, equipment, and other assets as he may determine, and assume the liabilities in connection with such assets, but such capitalization shall not exceed $25,000,000: *Provided*, That the fund shall be credited with advance payments in connection with firm orders and reimbursements from appropriations and funds of the Forest Service, other departmental and Federal agencies, and from other sources, as authorized by law, at rates approximately equal to the cost of furnishing the facilities and service.

Approved August 3, 1956.

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